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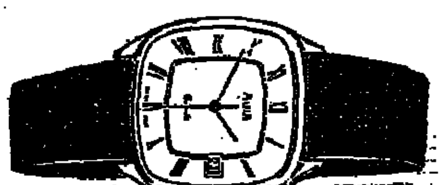


NEWS SUMMARY

GENERAL

Sarjeant 'planned to kill Queen'

Marcus Sarjeant, 17, who admitted firing blank shots at the Queen during this year's *Trooping the Colour*, had planned for some time to assassinate her, an Old Bailey court heard yesterday.

Sarjeant "fell back" on an *imitation gun when he was* unable to obtain a "suitably lethal" weapon. He was jailed for five years.

Healey threat

Denis Healey said he would not serve a *Labour Government* committed to a manifesto declaring unilateral disarmament. Union backing, Page 11

Haig denial

U.S. Secretary of State *Alexander Haig denied reports* in Bonn that the U.S. planned to delay the deployment of Pershing and Cruise missiles in Europe. Back Page

SA sanction call

The U.N. general assembly in a 117 to 0 vote called on the security council to impose mandatory sanctions against South Africa for failing to grant *Namibia independence.*

Gandhi accused

Indian parliament broke up in uproar when opposition leaders accused Mrs Gandhi of a breach of privilege over illegal fund *raising. Page 5*

Polish coal boost

A Polish scheme to boost coal output has prompted 7,500 civilians and 2,500 soldiers to volunteer to go underground. Page 3

IRA to protest

IRA supporters in Australia plan protests against the Queen and Mrs Thatcher when they arrive for the Commonwealth *heads of government meeting in* two weeks.

Japan arms plan

Japan is to develop four new weapons systems, including a ground-to-ship missile and a laser-guided anti-tank missile at a total cost of £142m.

Neutron decision

France said it had decided to pursue research into neutron weapons in the light of the U.S. *decision to build them and a* Soviet claim it could produce them.

E. Germans flee

Two East German couples and their two children fled to West Germany by sailing across the southern edge of the Baltic Sea.

3 die in crash

Three people were killed and at least one injured in a multiple accident involving an articulated *lorry on the M3 in Hampshire.*

Italians remanded

Italy is expected to seek the extradition of seven Italians remanded in custody at Bow Street, London. The seven face a charge of robbery with violence.

Emmy award

Vanessa Redgrave won an Emmy, U.S. television's highest award, for her rôle as a nazi concentration camp victim in Arthur Miller's Playing for Time.

Briefly . . .

Greek premier George Rallis resigned to make way for elections on October 18.

Soviet woman celebrating her 130th birthday was joined by 67 friends all over 100.

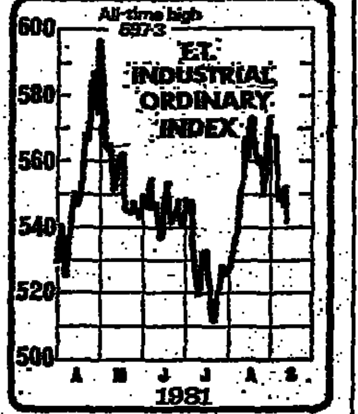
Manpower Services Commission said £359,000 will be spent to help 250 unemployed youngsters in *Bristol.*

Earthquake killed more than 50 in *northern Pakistan.*

BUSINESS

Equities slump; £ up by 1.7c

● **EQUITIES** showed double-figure losses, with popular electricals worst hit. The FT 30-share index fell 11.5 to 541.9. Page 38



● **GILTS** fell with the Government Securities Index down 0.91 at 63.34. Page 38

● **WALL STREET** was 2.38 down at 870.43 near the close. Page 30

● **STERLING** closed in London at $1.795, a rise of 1.7 cents. It finished at DM 4.265 (DM 4.27) and SwFr 3.645 (SwFr 3.6525). Its trade-weighted index fell to 87.0 (87.5). Page 30

● **DOLLAR** fell to close in London at DM 2.374 (DM 2.401) and SwFr 2.031 (SwFr 2.054). It eased against the Japanese yen to Y230.1 (Y231.4). Its trade-weighted index fell to 110.1 from 110.6. Page 30

● **GOLD** closed at $451 in London, a rise of $1 an ounce. In New York the Comex September close was $459.7. Page 30

● **SWEDEN** devalued the krona 10 per cent. Back Page

● **JAPAN'S** trade surplus with EEC jumped 32 per cent to $6.3bn (£3.5bn) in first seven months of 1981, and with the U.S. 80 per cent, also to $6.3bn. Back Page

● **SOUTH AFRICAN** Reserve Bank may negotiate more gold *"swaps" with foreign banks to* strengthen foreign currency reserves. Back Page

● **JAMAICA** has received a U.S.$25m loan from Venezuela to meet the island's balance of payments deficit. Page 4

● **WEST GERMANY'S** net contribution to the EEC budget rose nearly 80 per cent to DM 3.04bn (£713m) in the first half of this year. Page 2

● **L. M. ERICSSON**, the Swedish telecommunications group, launched a $40m 14½-year convertible Eurobond. Page 34

● **ASSOCIATED NEWSPAPERS**, publisher of the Daily Mail, has signed a lease for an 11-acre site on Surrey Docks, Southwark, south London, where it has outline planning permission for a print works.

● **IBM** is to spend £20m on *plant and buildings at its* Havant, Hampshire, plant to make substrates for mounting microchips. Page 9

● **FORD** may build a car diesel engine plant in Britain. Back Page

● **TGWU** members at Vauxhall's Ellesmere Port, Merseyside, plant rejected a pay offer worth about 4 per cent. Page 11

COMPANIES

● **AMEY ROADSTONE** Corporation, the concrete pipe producer, reported lower pre-tax profits of £34.2m (£35.7m) for the year to June 30. Page 23

● **C. D. BRAMALL**, the Bradford-based motor dealer, increased pre-tax profits to £1.05m (£918,000) for the first *half of 1981. Page 23*

Reshuffle hardens Thatcher grip on strategy

BY RICHARD EVANS, LOBBY EDITOR

THE Prime Minister strengthened her personal authority over the Cabinet yesterday with a substantial reshuffle that gives the right a firmer grip on Government economic and industrial strategy.

On the same day the Government's anti-inflationary policy was forcefully reaffirmed, with *the decision to raise interest* rates.

Two Cabinet newcomers are Mr Norman Tebbit, who becomes Employment Secretary, and Mr Nigel Lawson, the new Energy Secretary. Both are unequivocally on the Tory right.

The balance in the Cabinet is further altered by the dismissal of three ministers critical of many of Mrs Thatcher's policies: Lord Soames, Lord President of the Council, Sir Ian Gilmour, Lord Privy Seal and Deputy Foreign Secretary, and Mr Mark Carlisle, Education Secretary.

Mr James Prior had warned that he would refuse a switch from Employment to the Northern Ireland Office because *it would take him away from* economic decision-making. But accepted the Ulster offer after much heart-searching.

He will remain on the Cabinet economic committee but Mr Prior has undoubtedly suffered a loss of influence.

His unusual public bargaining tactics over the week-end presented Mrs Thatcher with an acute dilemma. She could either stand firm and face the damaging prospect of Mr Prior's resignation, or she could leave him at Employment and be accused of bowing to threats. Her decision was to stand by *her original offer* of the Northern Ireland Office, with no alternative.

The emphatic message of the reshuffle, which was more wide-*ranging than anticipated*, is that the Prime Minister intends to fulfil her manifesto commitments and to maintain the economic strategy laid down when she took office.

There will be no change of course under her new team—which will take the Conservatives through what promises to be a turbulent pre-election period.

Her grip on the Conservative Party as well as the Cabinet has also been strengthened with the choice of Mr Cecil Parkinson, formerly Trade Minister, who succeeds the retiring Lord Thornycroft as party chairman. Mr Parkinson also becomes Paymaster-General and will *attend Cabinet meetings.*

The right of the Conservative Party gave an enthusiastic reception to the changes last night, particularly the promotion of Mr Tebbit to Employment where he is much more likely than Mr Prior to bring in tougher legislation against the closed shop and other trade *union powers.*

Conversely, the "wets" in the Government and on the Tory back benches were deeply depressed at what they regarded as a marked loss of influence and confirmation that Mrs Thatcher has no intention of adopting more reflationary policies to combat unemployment.

Mr Prior's transfer came as a particular blow, as he led this summer, attack within the Cabinet against more public expenditure cuts. He also led the *demand for higher spending on* job creation.

With the departure of Sir Ian Gilmour and Lord Soames and the transfer of Mr Prior out of *the economic mainstream, the* call for a modifying of economic policies will be led by a depleted group of ministers including Mr Francis Pym who retains the same roles but becomes Lord President of the Council, and Mr Peter Walker, still Agriculture Minister despite some defiant criticism of Mrs Thatcher.

The transfer to Education of Sir Keith Joseph, one of Mrs Thatcher's most loyal sup-

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Details and profiles, Page 8;
Editorial Comment, Page 18

Government changes

Secretary for Education and Science	Sir Keith Joseph
Lord President of the Council	Francis Pym
Secretary for Northern Ireland	James Prior
Lord Privy Seal	Humphrey Atkins
Secretary for Industry	Patrick Jenkin
Secretary for Transport	David Howell
Secretary for Social Services	Norman Fowler
Chancellor of the Duchy of Lancester	Baroness Young
Secretary for Energy	Nigel Lawson
Secretary for Employment	Norman Tebbit
All the above will be members of the Cabinet	
Paymaster General	Cecil Parkinson
MINISTRY OF AGRICULTURE, FISHERIES AND FOOD	
Parliamentary Secretary	Mrs Peggy Fenner
MINISTRY OF DEFENCE	
Parliamentary Under-Secretary for the Armed Forces	Jerry Wiggin
DEPARTMENT OF EDUCATION AND SCIENCE	
Parliamenary Under-Secretary	William Shelton
DEPARTMENT OF ENERGY	
Parliamenary Under-Secretary	David Mellor
DEPARTMENT OF THE ENVIRONMENT	
Parliamenary Under-Secretary	Sir George Young
Parliamenary Under-Secretary (Sport)	Neil Macfarlane
FOREIGN AND COMMONWEALTH OFFICE	
Minister of State	Richard Luce
Parliamenary Under-Secretary	*Lord Trefgarne*
DEPARTMENT OF HEALTH AND SOCIAL SECURITY	
Parliamenary Under-Secretary	Lord Elton
Parliamenary Under-Secretary	Geoffrey Finsberg
DEPARTMENT OF INDUSTRY	
Minister of State	*Norman Lamont*
NORTHERN IRELAND OFFICE	
Minister of State	Earl of Gowrie
Parliamenary Under-Secretary	Nicholas Scott
SCOTTISH OFFICE	
Parliamenary Under-Secretary	*Allan Stewart*
DEPARTMENT OF TRADE	
Minister of State	Peter Rees
Parliamenary Under-Secretary	Iain Sproat

H.M. TREASURY

Financial Secretary to the Treasury, Nicholas Ridley.

The following Ministers have tendered their resignations

Lord Soames, Lord President of the Council;
Sir Ian Gilmour, Lord Privy Seal;
Mark Carlisle, Secretary for Education and Science;
Russell Fairgrieve, Parliamentary Under-Secretary, Scottish Office;
Philip Godhart, Parliamentary Under-Secretary for the Armed Forces, Ministry of Defence;
Hector Monro, Parliamentary Under-Secretary (Sport), Department of the Environment.

***Mr Pym will continue as Leader of the House of Commons* and will retain responsibility for Government information.**

Lady Young will be Leader of the House of Lords and Minister in day-to-day charge of the Civil Service Department.

Mr Parkinson will atend meetings of the Cabinet.

***Lady Young, Mr Norman Tebbit* and *Mr Cecil Parkinson* join the Privy Council.**

Knighthods will be conferred upon Mr Russell Fairgrieve, Mr Philip Goodhart and Mr Hector Monro.

Bank of England engineers rise in short term interest rates

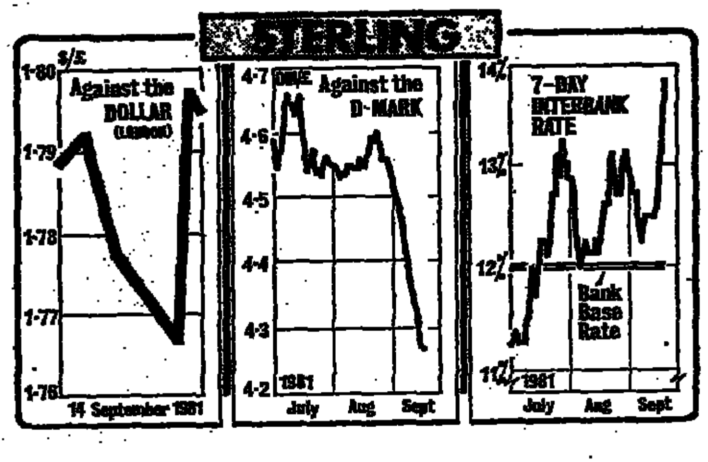
BY DAVID MARSH

THE GOVERNMENT yesterday reaffirmed its overriding commitment to fighting inflation by acting to push up interest rates to counter the growing weakness of sterling.

In a move that looks certain to raise the cost of overdrafts *and mortgages*, the Bank of England engineered a rise of about 1 percentage point in short-term rates on the London money market.

Under the Minimum Lending Rate system in force until last month this would amount to a rise of about 2 per cent in MLR from the previous 12 per cent.

Since MLR has been suspended as part of the Bank's new system *of monetary control, Britain's* clearing banks now have to rely mainly on the response on the foreign exchange markets rather than official guidance in decid*ing by how much to increase* their base lending rates.



In the City last night it was generally expected that the banks will raise their base rates by up to 2 percentage points to 14 per cent this week.

The Bank's action was forced by mounting inflationary pressures caused by the sharp fall of the pound.

It amounts to the first major policy measure to defend the currency since the 1976 ster*ling crisis. It is also designed* to slow recent rapid growth in bank lending to the private sector.

Sterling strengthened nearly 3 cents following the Bank's announcement. It closed in London at $1.7950 against *$1.7660 before the move*, and $1.7780 on Friday.

It also rose sharply against the D-Mark and other Continental currencies, against which it has lately been particularly weak. Its overall trade *weighted index recovered dur*ing the day but still finished at 87.0, the lowest since May 1979.

The Bank intervened fairly strongly to try to brake the pound's fall before the interest rate announcement. According *to some dealers, it may have* bought more than £100m yesterday at various levels against the dollar.

There were doubts about how effective the measure would be to bolster sterling. Even after *yesterday's partial recovery* the pound has fallen by more than 4 per cent against a trade weighted basket of currencies so far this month.

The tightening of the interest rate only four weeks before the Conservative Party's annual conference deals a severe blow to the Government's hopes of a speedy recovery from Britain's worst post-war recession.

However, the Bank's move, taken in consultation with Sir Geoffrey Howe, the Chancellor of the Exchequer, and other senior ministers, is meant to confirm that the Government continues to give the battle against inflation top priority.

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Clearers postpone base rate decision

BY WILLIAM HALL, BANKING CORRESPONDENT

THE BIG clearing banks were waiting last night to see at what level short-term interest rates will settle down, before making a decision to increase their base rates.

However, Brown Shipley, one of the City's smaller accepting houses, increased its base rate by half a percentage point, to 13 per cent.

...*A likely rise to 14 per cent* will mean that the cost of overdrafts for prime corporate borrowers could rise as high as 15 per cent.

An increase in bank base rates has been on the cards for several months, and even before the latest move the banks could have justified increasing their base rates, to 14 per cent, on the basis of three-month interbank rates, which are a good guide for base rates in normal times.

The big banks have been reluctant to increase over*draft rates*, despite the relatively high level of short-term rates, because they did not want to be seen to be increasing industry's borrowing costs during the depths of a recession.

However, yesterday's move by the Bank will give them little room for manoeuvre since, with seven-day interbank rates at nearly 14 per cent, prime corporate borrowers can borrow at 13 per cent and lend in the market at a healthy profit.

If this process, known as arbitraging, happens on a large scale, the banks have no alternative but to increase their rates to stop an outflow of funds. *Until now*, short-term rates have not been high enough to encourage substantial arbitraging.

The timing and extent of the increase will depend on movements in short-term interest rates, in particular the seven-day interbank rates, which are now standing at 13½ per cent.

The banks are conscious that their personal lending has been rising rapidly in recent months.

The Confederation of British Industry said last night that it "greatly regretted" the increase in interest rates, which would add over £300m a year to industry's costs.

It will review its policies at its monthly council meeting tomorrow.

Building societies said they would await the clearing banks' response to the moves *before deciding whether to* alter their own interest rates.

Societies will also watch how movements in base rates might affect interest rates on home loans now being offered by the clearing banks—the banks have said that movements in base rates need not necessarily mean higher bank mortgage rates.

Building societies already face more competition from the Government for personal savings and societies' net receipts have tumbled in recent months. But most Building Societies Association members decided not to raise their interest rates at an association council meeting last Friday.

ICL to broaden product range

BY GUY DE JONQUIERES IN PARIS

ICL, the UK computer company, yesterday announced plans to *capture a bigger share of the* fast-growing market for small computers by broadening its product range and devising new marketing arrangements, includ*ing retail selling.*

Mr Robb Wilmot, managing director, said in Paris he expected that ICL's output of small computers would increase several times and account for about half the company's turnover in two years. At present, ICL's turnover is split about equally between large, medium and small machines.

The move into small systems, by far the *fastest* expanding section of the computer market, *represents* a new direction for ICL. Until recently the company devoted most of its development and marketing effort to bigger machines.

Mr Wilmot emphasised, however, that ICL remained com*mitted to big systems and would* be introducing some new products in this market in the coming months.

The company aimed at a fully integrated product range, in which all types of computers would *be designed to* intercommunicate by means of networking techniques.

ICL's move into smaller computers will be based initially on three products—its recently developed system 25; a powerful micro-computer developed by Three Rivers of the U.S. with whom ICL announced an agreement last week, and a new information processing system to be unveiled next week.

ICL will start making the Three Rivers computer, the Perq, *at its plant* at Letchworth, Herts., next March. It has acquired exclusive marketing rights to the machine outside the U.S. and initially plans to manufacture 1,000 of them a year.

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CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Abbey Panels	85xd	+ 13½
Bulmer (H. P.)	272	+ 8
Channel Tunnel	225	+ 57
Currys	198	+ 6
Dunbar	550	+ 35
Fleet Street Letter	99	+ 6
Gripperrods	116	+ 14
Hall (M.)	198	+ 7
Hiltons Footwear	104	+ 8
Medminster	72	+ 5
Monk (A.)	67	+ 5
Tunnel B	490	+ 5
Vinten	352	+ 8
Ward (T. W.)	154	+ 5
Whatman Reeve Al.	185	+ 7
Sovereign Oil	360	+ 15
Emperor Mines	135	+ 15
Gld. Mn. Kalgoorlie	560	+ 60
Poseidon	270	+ 25
UC Invs.	680	+ 30
Vaal Reefs	£40½	+ 1½
Western Mining	330	+ 16

FALLS

Treas. 11½pc 1985	£89⅞	− 1
Treas. 15¼pc 1998	£98⅛	− 1½
General Accident	358	− 8
GEC	745	− 13
Glaxo	394	− 12
Grant Brothers	175	− 21
GRE	336	− 10
ICI	274	− 4
Lucas Inds.	225	− 8
Sun Alliance	960	− 20
Whitbread A	167	− 8

Dutch Labour Party faces split over nuclear protest

BY CHARLES BATCHELOR IN AMSTERDAM

THE NETHERLANDS Labour Party is threatened with a split over the issue of nuclear energy only days after the party reached agreement on a new Government coalition. Mr Joop den Uyl, the party leader, is a Deputy Prime Minister.

The row over nuclear energy has strengthened fears that the party made too many compromises with the Christian Democrats to get into Government and that the leadership is out of touch with grass-roots opinion.

The magazine of the parliamentary party, Voorwaerts, which is the responsibility of the leader of the parliamentary party, Mr Max van den Berg, has called for party members to support a planned blockade of the Dodewaard power station. Protest groups have for several months been planning to block the access roads to the power station for a week starting on Saturday.

The policy of the Labour Party is to shut down Dodewaard, a small experimental power station with only 54 Mw capacity, and Borssele, a commercial station of 450 Mw, and to rely on conventional sources of power. Nuclear plants provide only half a per cent of the country's energy.

But in negotiations with the Christian Democrats and Democrats 66, Labour's partners in the new Government, the party was forced to drop this demand. The new Administration is only committed to carrying out a six-month study of nuclear power.

Mr den Uyl: may face grass-roots anger

Final responsibility for controlling the proposed blockade lies with the Interior Minister, the Labour Party politician Mr Ed van Thijn.

The right to demonstrate is a basic freedom, Mr van Thijn said in a radio interview, but the workforce of Dodewaard has the right to carry out its work in safety. The authorities could not allow Dodewaard to be shut down, he said.

Mr van den Berg, who represents the more radical wing of the Labour Party, has since made clear that he is opposed to illegal action by the protesters and to any use of force.

80% rise in Bonn payments

BY OUR BONN CORRESPONDENT

WEST GERMANY'S net contributions to the European Community budget rose by nearly 80 per cent in the first half of this year against the same period of 1980 to DM 3.04bn (£688m).

This emerges from balance of payments figures released by the Bundesbank, and reflects in part the increased German contribution arising out of last year's budgetary settlement with Britain.

The indications are that the German net contribution for the whole year will be between DM 6bn and DM 7bn, compared with a net figure of DM 4.8bn for 1980.

This sharp rise is bound to be underlined in Brussels when Bonn presents its case for budgetary savings and for a limitation on its net payments.

The budget issue will also be under scrutiny at a meeting of the Cabinet this Friday devoted solely to European Community matters. The meeting had been scheduled for September 27, but has been brought forward.

West German economic upswing is elusive

The Bonn Government is confident that the economy can grow by 2 per cent next year, but high U.S. interest rates may harm export prospects, writes **Jonathan Carr**

LIKE A will o'the wisp, the West German economic upswing always seems just another step away.

It was once hoped that signs of an upturn might emerge in the second half of this year. Now they are due next year but then, we are told, they will be unmistakable. The Organisation for Economic Co-operation and Development (OECD), the Bonn Government, as well as several economic institutes and banks seem fairly confident that the economy can grow by about 2 per cent in real terms (after inflation) in 1982.

Why should one believe them? After all, real Gross National Product (GNP) which increased by 3.6 per cent and 0.2 per cent in the two halves of last year (against the same periods in 1979), fell by 1.3 per cent in the first half of this year. A total of 1.3m people were unemployed in August—a jobless rate of 5.5 per cent against one of 3.7 per cent a year earlier.

The level of industrial production and use of capacity are low and company profits are being squeezed. Nearly 800 enterprises declared themselves insolvent in July alone—50 per cent more than a year ago.

The setback to growth in the first half of this year was actually less bad than some pessimists feared — thanks in particular to an unusually strong surge in exports. The visible trade surplus in the first seven months totalled about DM 10bn (£2.2bn) compared with only DM 4.5bn in the same period of 1980. This is in spite of worsening terms of trade. For example, West Germany is importing less oil by volume this year but paying much more for it.

The figures for industrial orders indicate that this trend will continue. In the first quarter of this year, foreign orders rose by 2 per cent in real terms against the same period in 1980, in the second quarter by 6 per cent—and in July alone by nearly 20 per cent (while domestic demand was down by nearly 5 per cent).

In these circumstances the recent projection by the IFO Economic Research Institute of a total trade surplus of some DM 17bn this year (about double last year's figure) looks realistic. The IFO also suggests that the surplus next year could rise to DM 28bn, thus cutting the current account deficit to about DM 13bn (or less than half the 1980 figure). The Government feels these conclusions are optimistic—but it agrees with their general line.

This has major implications for the D-Mark and the battle against inflation. A key reason for the export surge has been the competitive edge West German goods have gained from the sharp fall of the currency, by nearly 30 per cent since the start of last year against the dollar and by more than that against the yen.

An improvement in trade and the current account is likely to boost the D-Mark further—it has already gained against the dollar in recent weeks — and depress the imported element of inflation. Hence the perhaps rash suggestion by a Bonn state secretary that the dollar could be down to about DM 2.20 by the end of the year from its present DM 2.40, and the widespread belief that inflation next year could be down to 4 per cent against about 5.5 per cent this year.

There are major qualifications to this encouraging picture. The biggest is that West Germany's economic success depends as much on what happens in the U.S. as it does on decisions taken in Bonn or by the Bundesbank in Frankfurt. German export growth can brake an economic downturn, but it cannot wholly compensate for a domestic market which has the buoyancy of a pricked balloon.

The single biggest boost to the domestic economy would come from a marked fall in interest rates, which are admittedly low by the current standards of most countries but historically high for West Germany. The Government has done what it can to contribute to an interest rate cut, by taking steps to reduce its borrowing next year and so relieve pressure on the capital market.

Even in the unlikely event of those steps being carried out exactly as planned, developments in the U.S. will be decisive. A higher U.S. budget deficit than expected, bringing continuing high U.S. interest rates, would not only reduce the Bundesbank's scope for cutting rates at home, but also reduce West German export prospects to those countries whose economies are also being depressed by high rates. They include the EEC states with whom Bonn does more than half its trade.

Even if West Germany does achieve 2 per cent growth next year, unemployment will rise further. This is partly because much of the growth would emerge from increases in productivity, and partly because more people are coming on to the labour market.

Many of them are the children of foreign "guest workers," who are seeking better jobs than the ones their parents were prepared to do.

With an average of 1.4m jobless next year, West Germany would still have markedly fewer unemployed than Britain or France. But the potential for social unrest is serious all the same.

Rallis resigns today in readiness for elections

BY VICTOR WALKER IN ATHENS

THE GREEK Government headed by Mr George Rallis is due to resign today to make way for a caretaker Government which will conduct general elections on October 18.

The Government to be sworn in on Thursday will again be headed by Mr Rallis but will include four non-party Ministers holding the portfolios of the Interior, Justice, Public Order and Press and Information. This is usual practice in Greece, as additional insurance of the irreproachability of elections.

Parliament will be dissolved on Saturday, officially launching the four weeks' campaign.

The main foreign policy issues will be Greece's continued membership of the European Economic Community and the North Atlantic Treaty Organisation, both of which are opposed by the opposition Panhellenic Socialist Movement of Professor Andreas Papandreou and the Moscow-line Greek Communist Party (KKE), which together polled 35 per cent of the votes in the 1977 elections.

On the home front, the main issue will be the economic situation and in particular inflation, which is still running at over 20 per cent for a third consecutive year.

Indicating the importance attached by the Government to Greece's EEC membership, Mr Rallis said over the weekend that in the event of his party's failing to secure an overall majority it would be prepared to enter a coalition only if the co-operating party or parties fully accepted the EEC accession treaty and agreed that Greece should stay in Nato.

Economically, the Prime Minister said, Greece had no future outside the EEC, while its departure from Nato would upset the balance of power in South-east Europe.

Defending his government's economic record, Mr Rallis said Greece's growth rate this year would be between 1.5 and 2 per cent.

Lisbon forecasts modest growth

BY DIANA SMITH IN LISBON

PORTUGAL must accept more modest economic growth for the time being, although entry into the European Common Market on a reasonably strong footing remains an absolute priority.

That is the basic message of a 170-page government programme presented to Parliament yesterday by Sr Francisco Pinto Balsemao, the Prime Minister. Sr Balsemao's second coalition Cabinet of Social Democrats, Christian Democrats, Monarchists and Independents was sworn in earlier this month.

The programme emphasises that the international recession, the strong dollar and high interest rates leave no option but to try to balance austerity with selective spurs to investment in top priority areas of agriculture, exports, import substitution and tourism.

The reformist and austerity-minded stamp of the new Economy Minister, Sr Joao Salgueiro, is evident in the 64 pages dedicated to recovery and development of the economy.

The programme hints that the $8bn (£4.4bn) foreign debt may be restructured. There will also be new incentives for foreign investment without which Portugal cannot develop. No details are given of these, but the programme says the present system will be streamlined.

New privately-owned investment societies, which are due to start soon, will be given special attention.

The Government will operate a prices and incomes policy and will seek a social contract based on increases in productivity and containment of wages within the bounds of annual inflation rates and the need to compete with the outside world.

The cumbersome public sector, which embraces several lame ducks surviving thanks to generous subsidies, will undergo "a drastic review of management techniques and very strict supervision of its spending programmes."

Sr Balsemao: EEC link a top priority

Portugal's $1.3bn current accounts deficit in 1980, and its forecast budget deficit of $3bn for 1981, have already forced some cuts in public spending. The programme makes clear that there will be others.

The programme hints that the nationalised banks will be "readjusted."

Honecker's Mexico visit leads to accords

By Leslie Colitt in Berlin

EAST GERMANY is baski the success of its latest to a developing country, Me on the doorstep of the U.S. Erich Honecker, East many's Communist leade President, has returned fr State visit to Mexico resulted in the most exte series of agreements bet that country and a Warsaw member.

A joint communique said two countries had rea "complete understanding" everything from the No South relationship to disa ment. East Germany last conducted only slightly than 100m marks (£22 worth of trade with Mexico only 5 per cent of its total tr with developing countries.

Herr Honecker agreed President Jose Lopez Por that a new internati economic order would hav be created. It should put an to trade discrimination and tectionism, growing inflat international currency financial problems and manipulation of raw mater and agricultural markets.

Herr Honecker wished Pr dent Lopez Portillo success the forthcoming North-So summit meeting at Cancun Mexico.

East Germany and Me signed agreements on scien technical co-operation, co-op tion in health services agricultural and indus co-operation.

East Germany sold tex machines to the Mexican sidiary of a U.S. company is to deliver some machiner the Mexican subsidiary of Vo wagen. The East German Pr dent dedicated a new shortw station supplied by his coun as well as a telephone sys for 45 villages and towns.

East Germany is hoping its material assistance fulsome praise for Mexi foreign policy will eventu pay off in deals involving delivery of East German eq ment and turnkey plants p for with Mexican oil.

Herr Honecker stressed t many emigrants from N Germany found refuge Mexico.

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Cordial opening to talks on EEC reform

BY JOHN WYLES IN BRUSSELS

FOREIGN Ministers of the European Community agreed yesterday to work hard for early agreement in the most ambitious reform attempt in the Community's history despite the emergence of some obvious differences of priority.

The Ministers appeared anxious to avoid an early display of differences and reluctant to establish fixed positions on the issues of changing the Common Agricultural Policy and reforming the EEC budget.

But the real negotiations will be taken up from today by the mandate group, chiefly comprising the Ten's *ambassadors* to the EEC. In a series of weekly meetings, they will try to prepare the main lines of agreement *on developing* existing and new common policies, changes to the CAP and new budgetary *arrangements* for final decision by the Heads of Government in London in November.

All delegations found the European Commission's reform proposals, published at the end of June, a basis for negotiations. But some strong reservations emerged.

Mr Douglas Hurd, Minister of State at the British Foreign Office, was tepid about the Commission's suggested mechanism for cutting Britain's payments to the EEC budget. He found "interesting" the commission's idea for financing rebates to the UK by reducing other countries' CAP receipts, but obviously preferred an unspecified arrangement which would decide "how the budget as a whole should affect the individual member *state.*"

M André Chandernagor, France's Minister for European Affairs, acknowledged that the CAP must be re-organised and that budgetary distortions must be examined.

Both Mr Hurd and the West German Minister, Herr Peter Corterier were firm in insisting that the 1 per cent value added tax ceiling on the EEC's budget must be maintained

French concessions ease negotiations with Spain

BY OUR BRUSSELS CORRESPONDENT

A CHANGE of position by France yesterday enabled the European Community to maintain the appearance of wanting to carry forward negotiations on Spanish membership.

At the same time, France, with Ialy in support, blocked, for the time being the prospect of EEC trade concessions to Cyprus.

These developments, at a meeting of EEC Foreign Ministers, highlighted, once again, the way in which the Community's current internal debates on agricultural and budgetary reform are freezing relations with some third countries.

In particular, the gap between rhetoric on the desirability of Spanish membership and actual performance in egotiations has seemed to be getting wider over the past nine months. This has clearly impressed itself on the new Government in Paris, whose tactical concessions yesterday will at least enable the EEC to table some proposals at ministerial level talks next month.

These will largely concern the statutes by which Spain ad the *Community should establish a* customs unions and by which Spain should apply the EEC's common external tariff.

France had been demanding that Spain should first undertake to introduced the value-added tax system by the time of its accession. But that demand will now be tabled with the customs union proposals.

France is continuing to insist that the EEC must sort out the main lines of change to its Common Agricultural Policy before negotiationg the agricultural details of Spanish membership. But M André Chandernagor, France's Minister for European Affairs, did give the go-ahead for talks on subsidiary technical matters.

Mr Falldin is trying to regain credibility, writes **William Dullforce** in Stockholm

Sweden devalues to halt economic decline

SWEDEN'S DEVALUATION of the krona yesterday accompanied by measures to dampen inflation and stimulate industrial output represents the Government's final effort to stop a deterioration in the country's economic performance which started during the early 1970s.

If this package does not work, the Swedish voters at the *general election next September* will certainly return the ruling Liberal alliance to the political wilderness from which it emerged six years ago, when it broke 44 years of Social Democrat rule.

The devaluation is a bold move by Mr Thorbjorn Falldin, the Prime Minister, and his minority Centre Party-Liberal Cabinet to restore the non-socialists' credibility and regain the public support the alliance has lost since the last election.

During the past eight years, Sweden has had one of the poorest economic records among industrial countries, although it has avoided mass unemployment. But this is against a background of soaring growth in public spending and stagnation in industrial output and investment.

However, unemployment is now increasing. In August, it rose by 12,000 to 116,000, or 2.6 per cent of the labour force and redundancies forecast by companies indicate that it will go up swiftly this winter.

The figure given is for open or visible unemployment. It should be doubled to show true unemployment, taking into account the emergency work and retraining schemes organised by the Swedish Labour Market Board.

This upsurge in unemployment is caused by a slowdown in industrial output, particularly among export companies. The public sector can no longer create jobs to compensate as it has done throughout the past decade.

The latest Organisation for Economic Co-operation and Development (OECD) report on the Swedish economy reported an increase in public sector employment from 20.6 per cent of total employment in 1970 to 29.8 per cent in 1979, a level far above those reached in other OECD countries. During the same period, business investment in Sweden tumbled from 10.3 per cent of Gross Domestic Product (GDP) to 8.9 per cent, the lowest in the OECD.

Public spending has been growing by leaps and bounds, partly boosted by Government subsidies to ailing industries, to reach 64 per cent of GDP last year and an estimated 67 per cent this year.

At the same time, the Government's deficit has climbed to SKr 70bn (£7.5bn) or 12.4 per cent of GDP, in spite of efforts to reverse the trend. The massive growth in the public sector and in the budget deficit has *crowded out the labour and* capital markets.

Meanwhile, heavy taxes have boosted wage demands, curbed company profits and contributed to the steady decline in the competitiveness of Swedish industry.

Employers and the blue-collar trade union federation reached a two-year national pay agreement in February, providing for what seemed to be "moderate" wage increases of 7 per cent this year and 6 per cent in 1982.

In June, however, the Federation of Swedish Industries pointed out that unit costs of production would not improve compared with Sweden's main competitors. Moreover, the rise of the krona against most West European currencies as a result of the pull of the dollar meant that Swedish industrial costs *were growing faster than those* of its European competitors.

The export industry would continue to lose market shares *and there was a serious risk* that a further substantial part of industry would be knocked out, the federation warned. It suggested that too the Government should reduce employers' social security charges, try for a social contract on national wage and salary cuts, or devalue the krona. The Government has plumped for devaluation as the medicine likely to work most quickly.

It has also taken the unusual course of combining devaluation with a reduction in Value Added Tax (VAT). In economic theory, an *increase in VAT to* hold back consumption would be the orthodox accompaniment to devaluation.

The cut in VAT has been interpreted as compensation to wage-earners for the loss in purchasing power caused by devaluation and is intended to stop the price index exceeding the threshold which would trigger new wage demands.

Government economists see the cut in VAT as giving the Government the leverage to effect cuts in public spending, which it would otherwise not have dared to make for fear that it would be accused of *creating unemployment.* Mr Falldin is taking a bold and unorthodox gamble.

Thorbjorn Falldin: a bold gamble

Italian jobless over 2m

By James Buxton in Rome

FRESH EVIDENCE of the *effects of the recession on the* Italian economy came yesterday with the announcement that the number of people seeking work *passed 2m for the first time in* July. This was an increase of about 200,000 over the figure for July 1980.

The *official unemployment* figure has remained fairly static for the past few months at about 1.8m, representing 8.8 per cent of the workforce. *But the* number of those seeking jobs has been swollen by the arrival of nearly 600,000 school and university leavers. *Some* 74 per cent of those seeking jobs are aged under 30.

The unemployment rate is 6.8 *per cent in the Centre and* North, against 13 per cent in the South. One of the blackest spots is Naples. Two policemen were *wounded there yesterday* when a mob of unemployed attacked a labour exchange.

The maintenance of a high level *of employment is a* priority for the Government as it resumes talks later this week with the trade unions and *employers on curbing inflation.*

Mauroy backs neutron research

BY TERRY DODSWORTH IN PARIS

FRANCE'S Prime Minister, M Pierre Mauroy, yesterday reaffirmed his Government's commitment to continued experimental work on the country's neutron bomb project.

In a notably hardline speech delivered to the Institute for Advanced Studies on National Defence, M Mauroy said it would not be rational to abondon the option of acquiring a weapon which could increase France's armoury of nuclear deterrents.

The country's deterrent capacity needed to be strengthened, he added. "That is why the Government has decided to pursue its studies in this field."

The Prime Minister's speech comes only a month after the U.S. decided to go ahead with the development of a neutron bomb warhead.

While this move was attacked or greeted coolly by several western European countries, French Ministers gave it tacit approval, observing that the Soviet Union already had *the capacity to make* a similar device.

M Mauroy made clear yesterday that France was still at the *experimental stage with its* neutron bomb technology and had made no decision yet as to whether it would build or deploy it.

But he indicated that the Socialist Government did not intend to allow the country to be left behind technically in the nuclear arms field.

He went much further than others Ministers had done in emphasising the Government's support for a strong, independent defence policy. Evoking the decision of General de Gaulle to take the country *effectively out of the* North Atlantic Treaty Organisation, he said this had only been possible because France had its *own nuclear weapons. The* new Government intended to continue with that policy.

Communists warn the Cabinet

PARIS — French Communist leaders have criticised Government policies and given warning that their support for the Administration of President François Mitterrand is conditional.

In separate public statements *M Georges Marchais,* the Communist leader, and M Roland Leroy, editor of the party newspaper, indicated that they *expected* urgent measures to combat unemployment and inflation.

M Marchais said in a television interview that the Government's *nationalisation plans* were insufficient, and that a wealth tax planned by the Prime Minister was inadequate.

M Leroy, speaking at a rally, said Communists with their four Ministers were participating in the Government, "but are not a party of government." Nor would Communists be unconditional advocates of the Government.

Both leaders argued that the *Socialists had won* the elections because of the support of millions of Communists. Asked how long the Communists would stay in the Cabinet, M Marchais said: "We are in the Government determined to do everything to make it succeed.

Reuter

10,000 Poles volunteer to work in coal mines

BY CHRISTOPHER BOBINSKI IN WARSAW

TEN THOUSAND Poles have volunteered to work in the coal mines rather than do military service. A scheme aimed at boosting coal output has produced 7,500 civilian volunteers and a further 2,500 soldiers have opted out of the forces to go underground.

Polish coal mines have long suffered from a shortage of labour and the five-day week won by miners last autumn means that any plans to increase producton hinge on additional workers. Coal production this year is 20 per cent down on 1980 and has led to *costly cuts in export earnings* and internal deliveries.

Total employment in the mines stands at 376,000 of which 239,000 work underground. There are 19,000 job vacancies.

A spokesman for the mining section of the Solidarity union yesterday welcomed the new scheme if it meant that young men going into the mines would stay there after their period of national service was over.

Similar schemes were in force in the 1960s and 1970s. The main problem was that it was seen as a way of avoiding military service and the productivity of recruits was low, Solidarity said.

One of Solidarity's advisers *has suggested that the union* should back official efforts to increase prices of consumer goods in return for Government concessions on the demand that top industrial management be elected by workers.

Professor Marian Nasilowski, an economist, was speaking at the working group of delegates to Solidarity's national congress which is due to meet again at the end of the month. He predicted that the authorities were unlikely to give way without a struggle and that a general *strike on the issue was possible.*

Warsaw factory workers yesterday responded to concerted attacks from Communist controlled Soviet trade unions by inviting Russian workers to Poland to see Solidarity in action.

An open letter said a visit would enable the Russians to make "a proper judgment."

Regan rejects calls for U.S. credit controls

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

MR DONALD REGAN, the U.S. Treasury Secretary, yesterday rejected calls for credit controls to force down interest rates by restricting demand for finance.

Speaking in Chicago, he launched a major new drive to deregulate the American financial system. Mr Regan said that credit controls had never worked in the past and would not work now. They were an inefficient substitute for the marketplace and would lead to the sort of stop-and-go tinkering with the economy that had caused last year's high inflation.

Appeals for direct action to curb interest rates were made by a number of congressmen on their return to Washington from holiday last week. They were alarmed by the concern about interest rates they had found among their constituents.

Mr Regan said the best way to get interest rates down was to stick to President Reagan's economic programme—to lower inflation, to increase productivity and to encourage savings and investment.

WALL STREET retreated sharply when trading opened yesterday, signalling its disappointment with the modest military spending cuts announced by President Reagan over the weekend. David Lascelles writes from New York.

Bond prices, currently the best barometer of the market's mood, dropped by a point and short-term interest rates edged up again. Stock prices also dropped.

The financial community had hoped Mr Reagan would slash several times the $13bn (£7.3bn) he has cut from military spending plans over the next three years in his efforts to bring the federal budget into balance by 1984. As Wall Street sees it, the size of the cuts means Mr Reagan will have to find the rest of his savings in the politically-sensitive social programmes, which will be much harder.

The prospects for a sustained drop in interest rates do not appear to have improved. However, Crocker Bank of California yesterday joined the handful of banks which have cut their prime rate from 20½ per cent to 20 per cent.

Mr Murray Weidenbaum, chairman of the President's council of economic advisers, said yesterday he saw evidence of a decline in interest rates, citing the fall of the Fed funds rate from nearly 20 per cent to 16 per cent in the last two months. The drop in this rate has not had much impact on other rates, most of which have risen over that period.

In a series of speeches, Mr Regan repeated the Administration's commitment to its target of a $42.5bn (£22.8bn) budget deficit for fiscal 1982, despite widespread scepticism outside the Government.

He argued that the sorry state of Wall Street and the financial markets was not due to concern about the budget deficit, but to unreasonable nervousness about short-term changes in the money supply.

Under the Reagan tax-cutting programme, tax receipts would still rise by more than $650bn between now and 1984, Mr Regan said. This, together with continuing control over the growth of spending, should bring the deficits under control.

"We have chosen to balance the budget through real growth, not through tax increases and inflation," he said.

In Chicago, Mr Regan called for a national debate on deregulating the country's financial system, which he said was governed by totally out-of-date restrictions.

Mr Regan said four major sets of regulations needed looking at: restrictions on interest rates originally intended to protect savings and loans institutions from competition, regulations that attempted to limit different types of financial institutions to specific activities, geographic limitations on banks and the growth of the regulatory agencies themselves.

Many of these regulations stem from the Banking Act of 1933, the Glass-Steagall Act, which Mr Regan pointed out was designed to deal with quite different economic circumstances in an age before the modern telecommunications revolution.

For the banking system, Mr Regan said the key question was whether geographical restraints could be eliminated so as to increase competition and efficiency without causing undue concentrations of financial power.

He pointed out, however, that geographical restrictions had already been by-passed in many respects.

The restrictions "balkanised" the American financial system into 42,000 depositary institutions, including 15,000 commercial banks, Mr Regan said. The rules separate depositary institutions into diffrent classes and forbid bank mergers and acquisitions across geographical boundaries inside the U.S.

Springboks avoid protesters in U.S.

CHICAGO — The South African Springbok rugby team slipped quietly into the United States yesterday evading the anti-apartheid protests that accompanied its controversial tour of New Zealand.

The Springboks flew unannounced into Chicago shortly after daybreak without a single demonstrator in sight.

Opponents of the tour waited in vain in Los Angeles to protest against the arrival of the South Africans, who are in the U.S. to play three games on the way home from New Zealand.

They switched planes in Honolulu, boarded an American Airlines flight bound for Chicago and never left the aircraft when it stopped in Los Angeles.

Although their travel plans were kept secret, several television cameras, Press photographers and a handful of reporters were on hand when the 36-member South African party arrived at Chicago's O'Hare airport.

Mr Johannes Classen, team manager, said they had not expected to be met. He told the Press: "We're tired but we're happy to be here."

Asked about the possibility that the Springboks' U.S. tour could lead to a boycott of the 1984 Los Angeles Olympics by the Soviet Union and black African countries, Mr Classen said: "We're here to play rugby, not to get involved in politics."

Mr Tom Bradley, Los Angeles Mayor, and the Los Angeles Olympic organising committee both urged the U.S. Government to ban the South African team because of a possible boycott.

Reuter

Study criticises U.S. N-plants

THE NUCLEAR Regulatory Commission, which regulates the U.S. nuclear industry, has found that 15 of the country's 50 nuclear power plants are "below average" in overall performance, reports Paul Betts from New York.

The findings follow a study completed at the end of last year by the commission's staff.

Reagan starts to lobby senators over Awacs deal

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT Ronald Reagan yesterday opened his personal lobbying campaign to persuade the U.S. Congress to approve the sale of $8.5bn (£4.6bn) worth of Awacs (Advanced Warning and Control Systems) radar aircraft and jet fighter equipment to Saudi Arabia.

Indications are that the final outcome on Capitol Hill will be very close.

Mr Reagan invited 27 Senators believed to be undecided on the controversial arms deal—which has been criticised by Mr Menahem Begin, Israel's Prime Minister—to the White House, as Senator Alan Cranston, the Democratic Whip and leader of the anti-Awacs lobby, conceded that the President's formidable powers of personal persuasion could tip the balance.

But Senator Cranston said he counted 51 votes, a majority of one in the Upper House, at present against the Awacs sale. Both the House and Senate must pass resolutions of disapproval to block the sale within 30 days from the date of formal notification by the Administration.

This notification would come toward the end of this month, State Department officials said.

The White House has virtually abandoned hope already of getting the Awacs deal past the House, where traditional pro-Israeli sympathy coincides with an opposition Democratic majority of 50 seats.

On his current trip to the U.S., Mr Begin stopped short of calling on Congress outright to veto the Awacs deal, a unusual inhibition for the forthright Israeli Premier.

Mr Begin apparently judged that such a call might be impolitic when he had just won from the Reagan Administration a promise of "strategic co-operation" against Soviet expansionism in the Middle East.

But Mr Begin has stressed repeatedly his view that no precise link exists between Awacs and U.S.-Israeli military co-operation. The latter was not compensation for the former, he said.

Israeli Labour Party attacks pact with U.S.

BY DAVID LENNON IN TEL AVIV

ISRAEL'S MAIN opposition party has sharply criticised Mr Menahem Begin, the Prime Minister, for agreeing to mute his opposition to the U.S.-Saudi Arabia arms deal in return for an ill-defined agreement on strategic co-operation between the U.S. and Israel.

The opposition Labour Party's political committee said yesterday it regarded the outcome of the Premier's visit to Washington as "totally unacceptable and dangerous for Israel."

The proposed military strategic co-operation, which is still vague in nature, is being attacked here as more likely to tie Israel's hands than to provide real aid.

On the other hand, the Arab states have condemned the pact as likely to reinforce Israeli intransigence on the Palestinian issue.

The Prime Minister has suggested that the new co-operation would include American use of Israeli air and naval bases, stockpiling of arms here for use by the U.S. Rapid Deployment Force, but under the control of Israel, and air cover by the Israeli Air Force for U.S. transport airlifts when necessary.

The U.S. administration has, however, spoken of a much more modest programme including joint naval exercises, the pre-positioning of military medical supplies in Israel and some contingency planning for regional emergencies.

Mr Shimon Peres, the Labour Party leader, said Mr Begin's handling of the Saudi arms deal was totally unacceptable "because for the first time an Arab country will be getting more sophisticated weaponry than Israel."

Foreign loans give Jamaica the kiss of life, writes Canute James in Kingston

Seaga seeks to resuscitate ailing economy

MR EDWARD SEAGA, the Prime Minister of Jamaica, is quite candid about the state of the island's economy and what his Government has to do to pull it out of a slump.

"We are not involved in giving birth to a new child. We are involved in reviving the dead," Mr Seaga said recently of the Jamaican economy.

His efforts at resuscitation are apparently being successful. The International Monetary Fund (IMF) and the Bank of Jamaica reported recently that the Jamaican economy could record real growth this year. Mr Seaga said that at worst, the economy could record zero growth this year, and at best in excess of 2 per cent.

If even the more modest forecast is realised, it will be no small feat by Mr Seaga's 10-month old administration. The Jamaican economy declined by 5.4 per cent last year, the seventh consecutive year of decline.

When the present Government replaced the Social Democratic administration of Mr Michael Manley last October, Mr Seaga, who is also Finance Minister, inherited an economy which bankers said was on the verge of collapse. An increasing oil bill, servicing a $1.6bn (£880m) foreign debt, with stable and declining earnings from exports left Jamaica chronically short of foreign exchange to finance imports.

Arrears on short-term payments stood at $550m (£302m). There were shortages of imported consumer goods including food and the manufacturing sector, faced with an inability to import raw material and machinery, was operating at only 40 per cent capacity.

Now, says the Prime Minister, the IMF and the Central Bank report that there has been significant growth in the construction sector, non-government services, the distributive trades, manufacturing, agriculture and fisheries. Total exports have increased by 9 per cent in the first six months of this year. Tourism, Jamaica's largest foreign currency earner ($241.7m last year) increased by 10 per cent in July and 15.5 per cent last month, over the same period last year.

The IMF and Central Bank projections were made public a few days after the Bank of Jamaica had reported that the performance of the economy in the first five months of this year had been "disappointing" and that the economy was "depressed." The bank said afterwards, however, that there had been signs of recovery since April, which marks the start of the Government's efforts to rebuild the economy.

The first kiss of life for the island's economy came from the IMF, after the Prime Minister sought to improve relations with the fund, broken off last year by his predecessor. Mr Manley had unilaterally terminated talks with the IMF on new loans, saying its conditions would worsen Jamaica's economy. With the rupture, sources of foreign financial support dried up.

Jamaica has since obtained a $650m three-year extended fund facility from the IMF and a $48m compensatory financing facility.

The second kiss of life is coming from several Western countries, including the U.S., Canada, Britain and West Germany, which comprise the Caribbean Group for co-operation in Economic Development. The group is giving Jamaica $400m in loans this year.

JAMAICA

	1979	1980
Gross Domestic Product	£603.7m	£583.8m
Population	2.16m	
Net external debt	£419.5m	£488m
Major Exports:—		
Alumina	£211.7m	£287m
	49%†	55.2%
Bauxite	£83.4m	£110.9m
	19.3%	21.3%
Sugar	£31.3m	£23m
	7.2%	4.4%
Exports	£430.7m	£519.4m

Jamaica Dollar Exchange Rate: 3.1655=£

† % of total exports.

All this is expected to hasten economic recovery, but the Government feels that the funds are not coming in fast enough. Although it will have acess to just under $1bn in loans this year, most of this will be available only in the last few months of the year. Consequently, Jamaica has obtained bridging finance in the form of 180-day credits from some North American banks.

Several banks, owed several million dollars by the island, recently agreed to refinance $103m of the loans, and grant a new $70m loan.

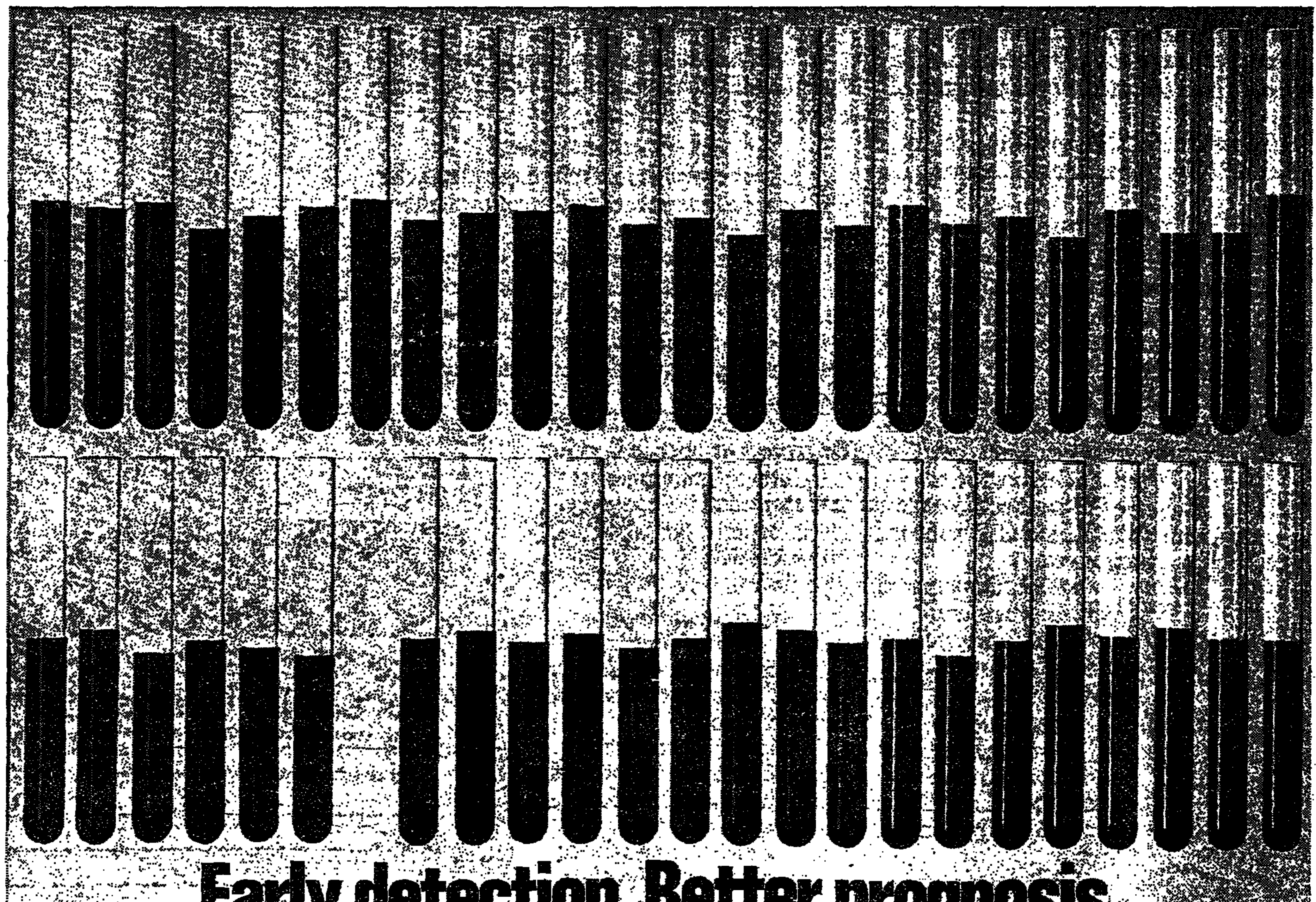
Such positive indications, with Mr Seaga's optimism about the ability of the economy to recover, are threatened by factors over which the Government has very little control.

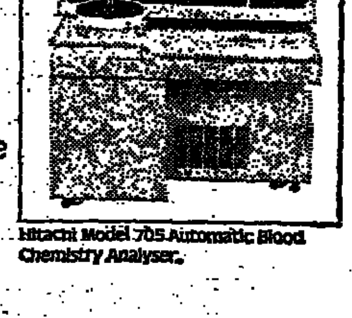
Tourism, for example, although expected to do better than last year, is suffering from the U.S. air traffic controllers' dispute and the growing strength of the dollar against European currencies.

The Bauxite industry, the island's second major foreign currency earner will decline this year, after earning $205m last year.

The sugar industry, which lives on exports to Britain, has been hit by poor management, bad weather and disease.

Banana production was crippled last summer by a hurricane, which wiped out 90 per cent of the island's plantations.





Gandhi under fresh threat


Trevor Humphries

By K. K. Sharma in New Delhi

INDIAN OPPOSITION leaders launched a fresh attack on Mrs Indira Gandhi, the Prime Minister, yesterday over alleged involvement in illegal fund-raising activities.

The opposition gave notice in the Lok Sabha (lower house) of a motion charging Mrs Gandhi with breach of privilege amid an uproar that halted business for more than an hour.

The row, which has seriously embarrassed the Prime Minister and her ruling Congress Party, concerns allegedly illegal fund-raising activities by Mr A. R. Antulay, who was hand-picked by Mrs Gandhi as chief minister of the economically powerful Maharastra state.

Mr Antulay is said to have established a number of trusts in Mrs Gandhi's name as a way of raising funds. The allegations reflect badly on Mrs Gandhi, and underscore concern about the way Mr Antulay and chief ministers in the eight other states where the Congress Party holds power have been conducting affairs.

Mrs Gandhi has chosen all the party's office-bearers, mainly on the grounds of loyalty to her. Political or administrative ability has been a secondary consideration, leading to claims that many are inept or corrupt.

Mrs Gandhi has protected Mr Antulay, but observers think it is a matter of time before he is asked to resign. The Prime Minister has already dropped three of her state chief ministers, and Mr Antulay's resignation is likely to trigger a greater shake-up.

The Opposition has made Mr R. Venkataraman, the Finance Minister, and Mr Antulay the target of its attack so far. This is the first time it has bought Mrs Gandhi within its range. The grounds for the motion are not known and a ruling on it by the Speaker is expected within days.

Mrs Gandhi has remained silent in the last couple of weeks that the scandal revolving around the fund raising has dominated proceedings in both Houses of Parliament.

She has been criticised for not clearing up the question of whether she consented to the trust being named after her. This was denied by Mr Venkataraman last week and he faced a privilege motion when the English-language newspaper Indian Express, published a photograph of Mrs Gandhi presiding over a function in Bombay when the trust was launched.

The chairman of the Rajya Sabha (Upper House) has not admitted the privilege motion, but the opposition yesterday persisted in its attempts to raise the issue.

Reference of the motion to the privileges committee would mean a parliamentary inquiry into the formation of the trusts.

Iran's army confident after year of war

By Terry Povey, recently in Ahwaz

SIX CHILDREN playing in a side street yesterday died in Ahwaz, capital of Iran's war-torn Khuzestan province in the south-west, killed by a shell fired from an Iraqi 152 mm howitzer 40 km from the city.

They were among the latest victims of the Gulf war between Iran and Iraq now almost a year old.

As the shells exploded in Ahwaz, women from neighbouring villages who were in the city selling fresh fruit and yoghurt at the roadside rushed for cover. Gathering up their goods and their black dresses they ran, screaming abuse in Arabic at Iraq's leader. "Why does he kill us like this?" said one woman. "We are not soldiers. We are just poor Arabs."

Before the war began, Ahwaz was a thriving industrial city of more than 600,000. Last year many of these people left and the community remaining is poorer and predominantly Arab-speaking.

In the war's initial stages, a revolt by Iran's Arab minority was said to be part of Iraq's overall strategy. This now appears forgotten.

Travelling across the province, one is struck by both the good spirits and the vastly improved organisation of its defenders.

"We are here to win the war and we will destroy the Iraq forces," said Lt. Col. Javad Hassibi, officer commanding the third brigade of Iran's 92nd division.

Looking down on to Bostan, a small town 20 kilometres from the border, Col Hassibi claimed: "It may take us time, but be sure we will win."

In the last eight months, Iranian forces have painstakingly gained ground in this region west of Ahwaz and around the much fought-over town of Susangerd. In a series of offensives spanning the last seven months, the most recent of which was 10 days ago, Iraqi forces have been pushed back some 40 kilometres.

The colonel said Iranian losses had been high. Iraqi counter-attacks have to be handled by the infantry and revolutionary guards, because "we can't afford to lose a single Chieftain tank."

As we crossed the desert plains in an armoured personnel carrier on the way to the forward position, Iraqi shells fell close by time and again. The smell of cordite lies heavily over the Iranian front line, manned mainly by revolutionary guards with the regular troops backing them up with artillery, tanks and mortars a little way behind. Down in the plains, a considerable number of Iranian tanks lay behind earth works, ready for the next move forward.

Destroyed Soviet-built T-54 and T-62 tanks could be seen in quite large numbers. One officer said that in the latest push towards Bostan 173 tanks had been knocked out, 200 soldiers killed, and a further 56 captured.

There seemed to be a restlessness among senior officers for a freer hand to pursue the war, rather than any feeling that political considerations would justify playing the matter quietly for the time being.

Further south around the oil city of Abadan, the front line seemed much quieter. Smoke from the giant refinery, still blazing after one year, rose up in three columns, but the city no longer seemed under threat.

After one year of shelling and the unavoidable neglect of war, it is clear that much damage has been done but that Abadan is not a destroyed city.

THE NORTH-SOUTH DEBATE

Summit promises a new sense of direction

Dialogue between developing nations and the industrialised world needs to return to the Keynesian economic internationalism of the post-war era, writes **Shridath Ramphal,** Commonwealth Secretary-General (right). The North-South Summit in Mexico next month will have a special responsibility to improve negotiations between increasingly interdependent economies, he argues.

GOVERNMENTS WANDER today without a sense of economic direction. As the certitudes of the post-war era have one by one disappeared, heads of State seem to have lost their bearings. Countries are turning in upon themselves, failing to understand national problems in their international setting and failing to respond to them with an appreciation of overall global needs.

There is an urgent need for a new framework for internationalism in the 1980s and beyond; but it is not emerging. Even before World War II ended, Keynes and White were laying intellectual foundations for the economic internationalism of the post-war era. Where are their successors today — not just the post — Keynesian theorists, but the new internationalists?

The Third World has groped its way towards the still rudimentary concept of a new international economic order.

The West has largely rejected it — and offers nothing in its place — while the old order is everywhere in disarray. In eight years of North-South dialogue, the North has produced hardly any new ideas; it has merely dismissed the South's proposals.

Sapped

The world economy is now being sapped by the worst crisis for half a century. Industrialised nations wrestle with inflation, while unemployment rises and growth remains sluggish.

Catastrophe threatens the poorest countries, where annual incomes are no more than two weeks' unemployment benefits in the EEC. Meanwhile, military expenditure by East and West already exceeds $500bn (£275bn) a year. The developed world spends more on means of destruction than nearly 2½bn people in the developing countries can spend on survival.

Efforts were made in the 70s to negotiate changes in economic relationships which would lead to greater equity between nations. As the economic crisis deepened, it became clearer that such changes were necessary not only to help the poor but also to assist the rich. But it has been easier to agree upon the growing interdependence of the world economy than to face up to its implications; to acknowledge that the recession is worldwide than to accept worldwide solutions.

Why are countries still so blinkered by nationalism in this era of interdependence? One answer is that to win elections politicians feel compelled to promise better economic times. To project political machismo, they convince their electorates (and sometimes even themselves) that by their own unaided efforts, by the infallibility of their economic philosophy and its resolute translation through domestic policy, they can deliver better times. To admit the relevance of the global factor is seen somehow to admit to being less than effective or to imply that their ideological platform may be flawed.

Current political management of the democratic process is leading it to work against internationalism. This is not only true in the North. Even in the South, where external constraints on development are so obvious, there are some who look askance at the external dimension. Hence the curious point of contact between northern ideologues who disparage the North-South dialogue and those in the South who call for "delinking" from the global system.

Ritualistic

Inevitably, the South protests against the lack of northern political will. But the politicians are not always to blame. Powerful bureaucracies are wedded to the status quo. The most negative departmental view determines national positions and the most negative national position determines the North's collective stance.

When the industrialised countries proceed only at the pace of the slowest among them, is it any wonder that the North-South dialogue marks time? Progress is not helped by the contrastingly radical trend in the South, where the most radical position becomes the norm of the developing countries.

The institutions and systems established early in the post-war era changed the world. But they stand now in need of change themselves. All is not well, in particular, with the United Nations, which in many areas has become ritualistic, inbred and increasingly technocratic.

All are to blame — East and West, North and South — for the UN's image of endless, tedious, tiresome and ultimately selfdefeating dialogue involving more than 6,000 meeting a year in New York and Geneva alone — and 1m pages of documentation.

But the UN is not something apart. It is governments which have allowed it — even encouraged it — to grow away from its role. The UN can still be an invaluable forum, yet governments show little sign of being ready to strengthen it. Here again we need a new vision, a renewed sense of purpose, responsive to changed circumstances.

There is some consolation in the evolving processes of summitry. The ambience of political discussion at a summit can produce results otherwise beyond grasp. The "Rhodesia problem" could not have been solved without a summit. The Lusaka accord could not have been pre-negotiated by a committee of cabinet secretaries. The "risks" of summitry are mostly feared by those who guard the status quo.

The Commonwealth, which pioneered summitry, holds its next meeting in Melbourne at the end of this month. Of the 42 leaders there, seven will be going on to the North-South Summit at Cancun, Mexico. This gives to their deliberations a special global significance. With Malcolm Fraser, the Prime Minister of Australia, in the chair, they will seek to apply their experiences of summitry and consensus building to enhance the chances for a satisfactory outcome.

Cancun could be a truly creative occasion in human affairs. It will be the first time that the political leadership of so large a part of world society meets to consider jointly some of the major dangers facing mankind. The summit will include the world's major decision-makers; the very fact they are coming together inspires hope.

Spirit

There was a glimmer of recognition at the Ottawa Summit of industrialised countries that the crisis facing the North is bound up with the problems of the South. This fact must be more clearly recognised in Mexico and acted upon. The nations meeting in "Cancun" must agree on the start of long deferred global negotiations. They must agree to work more assiduously than in the past for success in those negotiations. They must acknowledge that an acute economic crisis demands emergency action, particularly in the areas of trade, financial flows, energy and food. These nations must also agree to continue to work together, informally but with a sense of urgency.

Above all, this meeting must help the springs of political improvisation to flow again, help to revive the spirit of internationalism of the early post-war period, help to inspire an intellectual framework relevant to modern problems and world opportunities.

Lagos brings in austerity package

By Mark Webster in Lagos

THE NIGERIAN Government has announced a series of austerity measures designed to cut public expenditure and save foreign exchange.

The cuts are its first attempt to reduce expenditure since oil exports began to slump in the first half of this year. Last month they were down to an estimated 770,000 barrels a day (b/d).

The measures include a freeze on public sector appointments with vacancies left unfilled except in "exceptional circumstances" and a ban on overseas trips by civil servants without presidential permission.

Trade and other agreements in future will be signed by Nigeria's diplomatic representatives abroad.

The other measures, published in a government circular, relate to controls on the buying of vehicles and furniture by government departments, and the use of direct telephone lines.

The circular repeats the government's determination to withhold 30 per cent of capital expenditure in line with the anticipated shortfall in oil revenue.

End support for Mobutu, West urged

By David Buchan in Washington

THE WEST should abandon its "blind and uncritical" support of the regime in mineral-rich Zaire, Mr Nguza Karl-I-Bond, President Mobutu's former Prime Minister and now his chief opponent in exile, will tell Congress today.

Mr Nguza who, with various interruptions in jail, served three times as President Mobutu's Foreign Minister before resigning this year as Prime Minister, hopes to convince the Reagan Administration that backing for the Mobutu regime no longer serves western interests.

Outlining the testimony he will give to the House Africa subcommittee today, Mr Nguza charged that President Mobutu had broken the assurances given to the U.S. and Western powers to prevent a recurrence of the 1977 and 1978 Shaba insurrections.

Mr Nguza has alleged that President Mobutu misappropriated more than $100m (£56m) in international aid last year and complained that the International Monetary's Fund's supervision of Zaire's Central bank and Finance Ministry had broken down.

Japan plans new weapons

TOKYO — The Japanese Defence Ministry plans four new weapons systems, including a tank, at a cost of Y58.5bn (£139m), the Ministry said.

A ground-to-ship missile is to be developed by 1987 at a cost of Y20bn with the help of Mitsubishi Heavy Industries and Mitsubishi Electric Corporation.

The Ministry is seeking an initial budget of Y7.8bn next year to develop a prototype missile within three years.

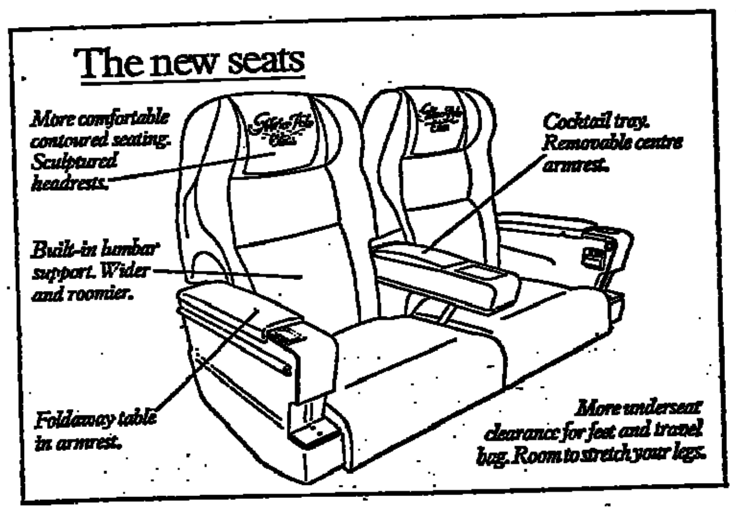
A battle tank will be developed at a cost of Y25bn by 1988 to replace the tank now used by the army.

An initial budget of Y7.1bn is sought to build a prototype over three years from next year. Mitsubishi Heavy Industries, which makes the present tank, is expected to be main contractor, the Ministry said.

It plans to develop a laser-guided anti-tank missile at a cost of Y8bn by 1986.

A new system will be developed to mount the existing 35 mm anti-aircraft machine gun on tanks at a cost of Y5.5bn.

Reuter



WORLD TRADE NEWS

Dutch to double financing in Fokker-Douglas venture

BY CHARLES BATCHELOR IN AMSTERDAM

THE DUTCH Government has revealed it is prepared to provide Fl 1.7bn (£346m) worth of backing for the 150-seat airliner now being developed by Fokker and McDonnell Douglas of the U.S. This is more than twice the amount of Fl 800m which the Government had said in May it was willing to supply.

Progress on the project has been so favourable that the Government is prepared at this stage to commit itself to considerable pre-financing, provided its conditions are ultimately met, Mr Gijs Van Aardenne, the outgoing Minister of Economic Affairs said in a letter to the Standing Parliamentary Economic Committee.

The Government will provide Fl 800m worth of credits and guarantee commercial loans of up to Fl 900m, in the period 1982-1990, the Minister said. The loans will be repaid in the form of royalties on each aircraft sold.

The more than doubling of the amount of support since the Government first announced it would provide Fl 800m does not, however, represent an upgrading of the project, the Economics Ministry said. It is merely a result of the fact that in May the full details had not been worked out.

The Government is prepared to start providing the funds around the end of the year if the project goes according to plan. Meanwhile, it will provide an extra Fl 53m to help fund the project definition phase of developing the MDF-100. This phase, which should originally have been completed by mid-1981, will now take until the end of the year.

Fokker will take the leading role in designing the new aircraft and in buying in components while McDonnell Douglas will head the sales effort, the Minister revealed. This is the first concrete indication of how the two companies would share responsibility for the project.

The Government confirmed that the companies are for the time being still working on the basis that the MDF-100 will be assembled at two centres — one in the Netherlands and one in the U.S. Individual components will, however, come from only one source.

Good progress has been made in the four areas which the Dutch Government set as preconditions for its backing the project, and work on designing the aircraft is well-advanced.

Fokker has agreed in principle to work with McDonnell Douglas, and the two companies have jointly asked a Japanese industrial consortium to cooperate. An answer from Japan is expected by the end of the year.

Swedes study Norway gas link

BY WESTERLY CHRISTNER IN STOCKHOLM

THE SWEDISH Government has commissioned the state power board, Vattenfall, to conduct a study on various ways of taking natural gas from northern Norway. The project is expected to cost about SKr 75m (£8m) and take three years.

This spring, Norway and Sweden signed an energy/industry accord which includes sales of oil to Sweden—and which, presumably, would open the possibility of Sweden securing long-term gas deliveries on contract basis.

However, the Norwegian gas is not due to come into production until the beginning of the next decade.

Today, Sweden has no nationwide gas distribution infrastructure, although Sydgas, a regional power utility, is now hooking up with the Danish North Sea gas grid for residential heating in one area in the south.

Vattenfall is studying two alternatives for linking a Swedish pipeline network—both starting from northern Sweden—to the Danish grid.

The Swedish power board, working with Swedegas, a wholly-owned subsidiary of the state controlled Svenska Petroleum Energy Company and Norway's Statoil, is scheduled to present the first part of the study and findings to the Government next January.

Finns share Indian plant order

BY LANCE KEYWORTH IN HELSINKI

OUTOKUMPU OY of Finland and Voest-Alpine AG of Austria have together won an order from Orissa Mining Corporation of India for a ferro-chrome plant with a production capacity of 50,000 tonnes a year of charge grain ferro-chrome. Outokumpu's share of the project is valued at about FMk 35m (£4.4m). The contract is subject to Indian Government approval.

Outokumpu, the state-owned mining and refining company, has a ferro-chrome plant of about the same size in northern Finland, and it is the process developed there that will be used in the Orissa project. The Finnish company has sold ferrochrome plants to Greece, Turkey and the Philippines in the past two years.

The Finnish and Austrian companies have formed a consortium to manage the project planing and equipment procurements from non-Indian sources, and to supervise Indian equipment proceurements.

● Valmet Oy, the Finnish state-owned engineering company, has won an order for a newsprint machine from Augusta Newsprint Company of the U.S. The contract is valued at over FMk 100m. The machine is to be delivered in December 1982. The daily production capacity of the machine will be 645 tonnes of 48.8 G/square metre basis weight newsprint. The rated speed is 20.3 metres per second. Augusta Newsprint Company is a subsidiary of Abitibi Southern Corporation and Thomson Newspapers of Toronto.

£14m Hong Kong ship order goes to Britain

By Andrew Fisher, Shipping Correspondent

BRITISH SHIPBUILDERS has won a £14m order from a Hong Kong shipping company bringing the total value of orders from shipowners in the Colony this year to £70m, representing nearly 200,000 deadweight tonnes.

The order, for two 15,000 dwt general cargo carriers, was placed with the state-owned UK company, by Carrian Shipping, British Shipbuilders' chairman, Mr Robert Atkinson, said.

The two vessels will be constructed by Smith's Dock of Middlesbrough. In July, Sunderland Shipbuilders announced a £12m order from the Hong Kong-based Kischinchand Chellaram group for a 31,000 dwt bulk carrier

Mr Atkinson said the order from Carrian would provide Smith's Dock with continuity of new shipbuilding work well through 1982. It also meant that workload prospects at the group's merchant yards were now more stable overall.

UK in fresh vehicle talks with Japan

By John Griffiths

BRITAIN'S Society of Motor Manufacturers and Traders and its Japanese counterpart, JAMA, are to hold further talks in London next week on the level of Japanese commercial vehicle imports to the UK.

The talks, at working-party level, follow on from the full-scale SMMT-JAMA talks at Sapporo in July, when the two sides failed to agree about a UK demand that Japanese makers restrict such imports.

Shipments of light commercials — Japan has agreed informally not to enter the market above 3.5 tonnes — were suspended last month.

This was after an estimated 24.500 vehicles had been shipped in the first seven months of this year, just under 1.000 less than in the whole of 1981.

OECD EXPORT CREDITS DISPUTE

Japan resists 'plan to boost rates'

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN is strongly resisting what it claims is a plan to discriminate against low-interest-rate countries in the forthcoming revision of the OECD code on the extension of export credit to developing countries.

The code, known as the Gentleman's Agreement, or the "consensus," specifies the minimum rates at which member countries "normally" finance exports of industrial plant and other bulky items, as well as limiting the periods over which loans can be repaid. Discussion has been under way for two years on an upward revision of Japan's rates which would partially close the gap between subsidised export finance and commercial lending rates in OECD member countries.

Japan has objected to the increase on the ground that its own commercial lending rates would be lower than the proposed new Gentleman's Agreement rates. This would mean that the Japanese would, in effect, be charging a levy on export finance to developing countries while Japan's competitors in the West would be subsidising their loans.

Japan's Ministry of International Trade and Industry claims that the fairest solution to the export finance problem would be to introduce a differential rate system (DRS) under which each exporting country would be allowed to issue loans in its own currency at a fixed margin below its commercial lending rate.

The Japanese admit that such a system would mean far cheaper loans from Japan than from other OECD member countries. They argue, however, that the attractions of cheap yen finance for importers would be partially counteracted by the deterrent of borrowing in a currency which is expected to appreciate.

Failing acceptance of the DRS Japan argues that countries with low commercial interest rates be entitled to charge those rates on plant export finance to developing countries and should not be "forced" to impose the higher rates set out in a new gentleman's agreement.

The Japanese oppose an EEC proposal which would oblige low-interest rate countries to add a specified margin to their commercial rates.

Japan and Switzerland are the only countries, according to MITI, which would be affected by the EEC proposal.

A decision on the matter is to be made at a meeting early next month at the OECD's Paris headquarters. Japan's commercial lending rates of around 8.5 per cent are roughly on a par with the rates set out in the OECD code, whereas U.S. rates are much higher. MITI officials believe the U.S. wants the new OECD rates to be set at around the same level as the interest rate on U.S. Treasury bonds.

GATT may act over import curbs

BY PAUL CHEESERIGHT; RECENTLY IN STRESA, ITALY

INSPECTION TEAMS from the General Agreement on Tariffs and Trade (Gatt) might visit countries taking emergency action against foreign supplies to protect industry hurt by imports. They could check on particular domestic policies aimed at helping some industries to adjust to new levels of competition.

This suggestion, based on the precedent of International Monetary Fund teams scrutinising the economic policies of loan applicants, has been put forward by international economists meeting at the weekend in Stresa.

At a conference organised by the Trade Policy Research Centre of London, they were discussing the strains on the world trading system caused by protectionism and the sort of action legally open to countries seeking temporary relaxation of internationally agreed trading disciplines.

The meeting was called to make a contribution to the growing debate and to the independent preparatory thinking involved in the groundwork for the Gatt ministerial conference, embracing 86 nations, to be held next year.

The ministerial conference will be seeking a political way out of the disorder creeping over the international trading system. This disorder has placed the trading system under greater strain than at any time since the Gatt was drawn up after World War II.

There has been a tendency to break away from the liberal trading disciplines embodied in the Gatt. Alongside the formal agreement, a complex of parallel arrangements has developed which prevent the free movement of goods. This runs from the international multifibre arrangement (MFA), which effectively controls the textile exports of developing countries, to less formal accords of the type which, for example, define the Japanese share of the UK car market.

Open trade concept

Leaders of the major trading nations still espouse the concepts of open trade which the Gatt was designed to promote. But if the open trading system is to survive, many economists believe, it will be necessary both to reduce the number of trade restraints tied into the complex of parallel arrangements and to seek a new definition of the conditions under which restraints might be permissible.

This is the question of safeguards for domestic industry hurt by increased imports. The economists at Stresa were seeking to define a legal framework for the use of safeguards that would not at the same time retard the process of adjustment by industries which have lost their competitive edge.

The Gatt already contains a safeguards clause, the vaguely couched Article 19. But it has not often been used. Article 19 permits emergency action—usually withdrawal of tariff concessions or quotas—when imports cause serious damage to domestic industry. But injury is not defined and there is no time limit on the duration of emergency action. The withdrawal of tariff concessions or the imposition of quotas has to be applied to all exporters of the given product and they may seek compensation.

The negotiation of compensation and the need to make the use of Article 19 generally rather than selectively has made its use unattractive: it has usually been easier to wink at the Gatt rules and reach a bilateral agreement, thus eroding the fundamental principle of the Gatt that a country should not discriminate between trading partners.

The economists at Stresa started from the point that, in the application of Article 19, the free trade principle must remain intact. But at the same time, in the interests of bringing the use of safeguards back into the international legal fold, they suggested that the compensation rule should be relaxed so that countries taking emergency action would have, in effect, a free run for three years.

They further suggested:

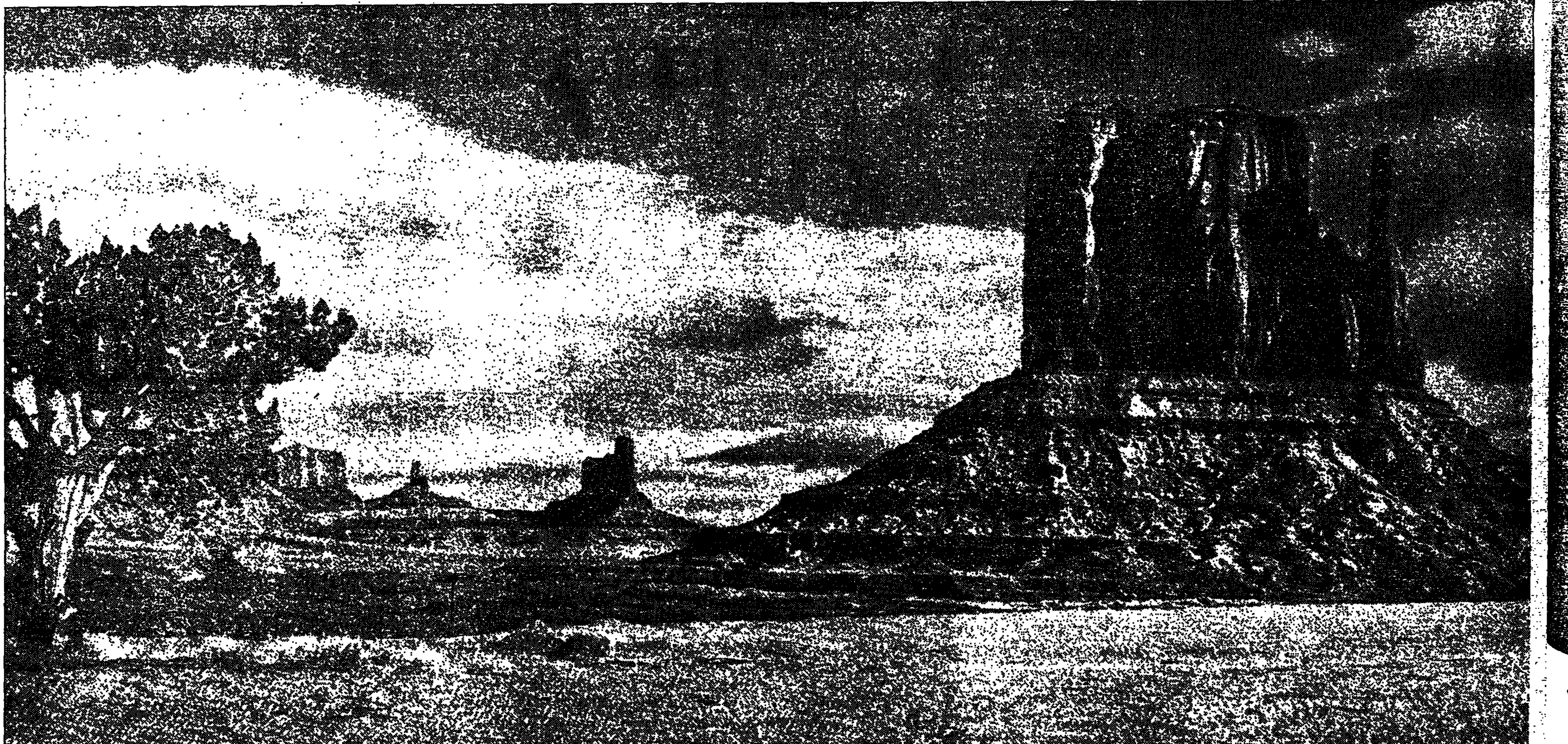
- A definite time limit on emergency action which, if exceeded, would provoke retaliation;
- A clear statement of the circumstances leading to the emergency action with the nature of the injury to domestic industry aired at a public enquiry so consumers' views can be heard;
- The idea of the Gatt inspection team to see, for example, that the protected industry is not increasing capacity;
- No use of quotas to protect industry, only tariffs, so that the costs of the emergency action are visible.

Immediate impetus

The immediate impetus towards devising an internationally agreed and workable Article 19 may come not from EEC or U.S. fears of Japanese competitiveness but from the textile producers of the developing world.

If the present negotiations for a new MFA break down, which is possible, then developing countries may decide to abandon the arrangement altogether, throw over their restraint and take their chances in an open market.

Such a threat to the protected textile industries of the EEC could set off intense negotiations about application of safeguards.



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BARCLAYS

Financial Times reporters look at the personalities involved in Mrs Thatcher's Cabinet reshuffle

Joseph seen as 'insensitive'

FEW INDUSTRIALISTS will mourn the removal last night of Sir Keith Joseph from the Department of Industry, where he has been Secretary of State since the general election. While some have recognised his honesty and intellectual approach, most have become frustrated by his refusal to face up to their detailed problems.

So they will welcome the change, even though few of them know much about his successor, Mr Patrick Jenkin, apart from the advice he gave during the 1973-74 miners' strike that people should conserve electricity by cleaning their teeth in the dark.

Sir Keith came to office, having designed the blueprint for the Conservative Government's economic policies, convinced that the rebirth of the entrepreneur would revive the flagging fortunes of British industry.

For nearly two years after the election he continued to make this his central theme, unable to shift himself intellectually into a frame of mind that would accommodate either the realities of the recession or the massive amounts of state aid drained away into concerns like British Steel, British Leyland and British Shipbuilders.

Only now, as he leaves the department, are there signs that the entrepreneurial dream may have basis in reality. Although it is far too early to draw firm conclusions, the recent response to his departmentment's small firms bank loan guarantee scheme and the spate of management buy-outs indicate that a revival of small businesses may be in the offing.

He believed that industry had to go, almost unaided, through the massive closures and redundancies of the past year or so. He therefore often seemed insensitive to detailed industrial problems, and businessmen — especially in the regions — believed that this insensitivity prevented him and the Prime Minister adjusting policies to prevent too much permanent damage to the country's industrial base.

From the start, however, he found himself unable to stick rigidly to his principled opposition to Government intervention in industry. He rapidly came to terms with having to keep various forms of automatic and selective aid for the private sector in being and during the past year approved fresh aid worth £50m to bolster up companies' research and development programmes, to encourage a more British-oriented public purchasing policy, and to aid fibre optic developments in the electronics field.

But his greatest problem remained the financial demands of the nationalised industries and, had he remained at the Industry Department, he would have been at the centre of current reviews of their relationships with the Government.

He will probably be happier away from the relentless problems of the Department of Industry, and the Government should benefit from the break with the past that the change signifies.

Howell will look at energy through Treasury eyes

MRS THATCHER'S decision to replace Mr David Howell with Mr Nigel Lawson as Energy Secretary is viewed in the fuel and power industries as a logical move—given the close ties between the Energy Department and the Treasury.

Mr Howell, who becomes Transport Secretary, had many a rough ride in his dealings with the Treasury over energy-related issues. While a sincere, thoughtful campaigner he never emerged as a formidable force in policy-making.

As Mr Roger Lyons, national chemicals officer of the Association of Scientific and Managerial Staffs commented yesterday: "The Treasury has been baby-minding the Energy Department."

He was angry about the Government's abandonment of the £2.7bn North Sea gas gathering scheme — a project keenly supported by the Energy Department but scuppered, largely by the Treasury, because insufficient private capital was forthcoming.

Mr Lawson, as the former Financial Secretary to the Treasury, should be able to smooth some of the bumps on the ride between the two departments.

While he is unlikely to turn the Energy Department into a satellite of the Treasury, he will recognise the importance of the energy industries—particularly North Sea oil producers—to the UK economy.

Thus he may add a new dimension to the Department's consideration of North Sea oil depletion policies. The UK is now producing substantially more oil than it consumes. Mr Howell was keen to "flatten the hump" of potential surplus production capacity in order to sustain a high level of oil output well into the 1990s.

Mr Lawson may be persuaded that, for the sake of rising oil revenues, the country might be better off allowing a few years of net exports.

Similarly, the state energy undertakings administered by the Energy Department loom large in the Treasury's eyes. All are big investors. The National Coal Board has to be supported from public funds. Others — like British Gas and British National Oil Corporation—are making large and growing profits.

British Gas—with whom Mr Howell was always sparring—has already been told to sell its Wytch Farm oil field and gas appliance business. BNOC was persuaded (with the aid of some judicious appointments) to co-operate in a scheme to introduce a majority private holding. Mr Lawson may pursue these objectives more vigorously.

Prior shows ability to walk the tightrope

Mr James Prior very nearly did not get the job from which he has now been reshuffled into the Northern Ireland Department. His instinctive dislike of the economic policies of Mrs Thatcher and Sir Keith Joseph was evident long before the 1979 general election, and it was far from certain that the shadow employment secretary would secure the post for which he had groomed himself.

In other words, Mr Prior has been living under pressure for a long time. The way in which he has been able to walk the tightrope (until now) suggests that there is a great deal more to Mr Prior than the Farmer Jim image with which he set out after his mentor Mr Edward Heath was deposed as Tory leader.

Perhaps it was this and his consequent emergence as a leader of the Cabinet dissidents that angered the right-wing backbenchers, and not merely his cautious line on trade union reform.

The unions may have found Mr Prior affable and likeable, if not always exactly on their wavelength. (He did, after all, open one meeting with the TUC by discoursing on the state of the grouse moors.)

But it would be wrong to suppose that the unions have liked even a tenth of the measures enacted during his time at the Department of Employment.

He presented the Employment Act, 1980, as a series of amendments to the existing labour law that would curb the most obvious abuses of union power without upsetting the whole industrial relations framework.

In this way, Mr Prior managed to put into effect some fairly fundamental changes. Certainly the TUC has never regarded the Employment Act as a minor piece of legislation.

Once this substantial measure was out of the way, Mr Prior wanted to let it settle down. But he was forced by the backbenchers and Mrs Thatcher to move again. His Department produced the green paper on trade union immunities, a document written in painfully neutral terms; it could be read as a case for doing nothing at all, or for sweeping legislative reform. Political circumstance, not the cold light of reason, was to decide how much was done.

He has also made himself unpopular with the TUC over his industrial training measures, in particular the pruning of the Industry Training Boards.

One thing that Mr Prior has escaped, however, is any direct blame for Britain's high unemployment. For this he can presumably thank his scarcely disguised disagreement with the Government's economic policymakers.

Mr Norman Atkins (left) leaves the Northern Ireland Office to become Lord Privy Seal. Mr James Prior (centre) takes his place, and Mr David Howell (right) becomes Transport Secretary.

Parkinson, free trade defender, to chair party

MR CECIL PARKINSON, 50, the Trade Minister who yesterday succeeded Lord Thorneycroft as chairman of the Conservative Party, brings with him 10 years' experience in Government and in Opposition as well as a hard-earned reputation as a defender of the Government's free-trade policies.

He was appointed Minister of Trade on May 7, 1979, following the election victory of the Thatcher Government and established himself quickly as an effective deputy to Mr John Nott, then the Secretary of State for Trade, and as a popular member of the Cabinet.

The strength of the Thatcher majority improved the effectiveness of the Trade Department as a tool for the promotion of the British industrial effort overseas by allowing Mr Nott and Mr Parkinson more time to support trade promotions.

In his 28 months as Trade Minister, Mr Parkinson has become the most travelled member of the Thatcher Cabinet.

First as Mr Nott's deputy, and more recently as number two to Mr John Biffen, Mr Nott's successor, his specific responsibility in the Trade Department was for developing trade policy, promoting exports and fostering commercial relations abroad.

An energetic speaker, he has been a popular figure at commercial gatherings. This has not always been an easy task as he has maintained a strong stance in defence of free trade and the need for foreign competition.

Tebbitt expected to take tough line with unions

MR NORMAN TEBBITT, who takes over at the Department of Employment, has considerably increased his political stature during the past nine months when he has been one of the two ministers of state at the Department of Industry under Sir Keith Joseph.

His robust, outspoken style and his practical realism has made him a valued aide to Sir Keith. So good was their partnership, along side the other more left-wing, Minister of State, Mr Kenneth Baker, that the working of the department improved considerably.

Mr Tebbitt agreed with all Sir Keith's dislike of state aid and intervention in industry, but was realistic enough to see that in many cases they were necessary — hopefully temporarily. He was responsible for BL and British Steel and played a large part in negotiations over Nissan's proposed investment in the UK.

Described once by Mr Michael Foot as the "most studiously offensive" of MPs, a "semi-house trained polecat," Mr Tebbitt was a member of the original "Gang of Four" that organised Mrs Thatcher's leadership campaign.

A former airline pilot and prominent member of the pilots' union, he is likely to take a tough line with the trade unions. Before going to the Industry Department in January, he was a Minister of State for Trade.

Jenkin's move to industry post well timed

MR PATRICK JENKIN, the new Industry Secretary, is leaving the Social Services Department at the best of all possible times for himself.

He has carried out a structural reform of the NHS and fulfilled his party duty to encourage the private sector—but there have been no real confrontations yet with the unions.

The department has not yet been required to share the main strain of deepening public expenditure cuts—a situation which is likely to change soon as his junior ministers have already warned.

Mr Jenkin, MP for Redbridge, Wanstead and Woodford, is a 54-year-old lawyer noted for his introverted intellectual approach combined with an eye for intricate detail.

He was Financial Secretary to the Treasury in 1970-72 and was then promoted to be Chief Secretary (1972-74). Even in those days he was privately worried about the money supply but did and said nothing. For the last months of that Conservative administration, he was Energy Secretary and continued to shadow that brief from 1974 until 1976 when he switched to shadow health and social services, taking over that portfolio when the Conservatives were returned to power in 1979.

Mr Jenkin has some private experience of industry, having left the bar to hold a succession of jobs with Distillers from 1957 to 1970. He was elected to Parliament in 1964 and, within a year, had become an Opposition front-bench spokesman on Treasury, trade and economic matters.

One of Mr Jenkin's key achievements at the DHSS changes in the NHS.

Lawson—enthusiast rather than a rigid doctrinaire

BRIGHT, industrious, pugnacious. Different people would put the emphasis on different adjectives, but together they summon up a recognisable picture of Nigel Lawson, the new Energy Secretary.

Starting off on the Financial Times, where he was features editor and a Lex writer, he was subsequently editor of the Spectator, and entered Parliament in 1974.

Those who know him well stress that he is really an enthusiast rather than a doctrinaire or an ideologist. Although he may initially give the opposite impression, he is in fact a good listener.

As Financial Secretary to the Treasury, after the 1979 Election, his main achievement was to lead a wholesale transformation in Government debt operations, which he saw as the main weakness in monetary control. Apart from more technical improvements, granny bonds were made available to all, eventually Bank of England opposition was worn down, and index gilts appeared.

These reforms, which will be valuable to governments of all persuasions, were not to the taste of the more traditionally minded hard-money men, who thought this smacked of supping with the devil.

Outside economics, Lawson is also far from being a traditionalist right-winger. On the Spectator he was critical of the Vietnam War and took a strongly pro-Biafran line in the Nigerian conflict. Physically and temperamentally, he could not be more different from the lean and hungry monetarist of popular imagination.

He has no known view on energy policy. One would expect him to look for ways of mobilising private capital, but also to spring a few surprises in the way of ideas and even gimmicks. One would give a lot to be a fly on the ceiling at his first real encounter with Sir Dennis Rooke of the Gas Corporation.

How Ridley proved to be an excellent crisis manager

FOR THE past two years Mr Nicholas Ridley, the new Financial Secretary to the Treasury, has been in exile. After two decades on the back benches expounding, to anyone who would listen to his quirky right-wing views about how the economy had to be run, he found himself appointed by Mrs Thatcher in 1979 to the Foreign and Commonwealth Office to run Britain's interests in Latin America and the Caribbean.

That post has not been the most effective one from which to cry the virtues of the freest possible market or to explain the need to trim British trade union rights but this 52-year-old viscount's son turned engineer and banker has not complained.

He has quietly done an outstanding job of crisis control in an area where Britain's path is strewn with bear pits. The has been to organise the Argentinians have been persuaded not to invade the Falkland Islands or set about the platoon of Royal Marines which is its only garrison.

The coming week sees Belize, Britain's remaining colony on the American continent, accede to independence with international guarantees and the continuing protection of 1,600 British troops.

The Falklands and Belize—together with larger questions of Caribbean development and the maelstorm of the Central American republics — have been Ridley's constant preoccupations. He has attracted much admiration over the way he has handled them.

Grudging Liberal activists prepare for alliance with former rivals

Elinor Goodman on attitudes at Llandudno to the SDP

LIBERAL ACTIVISTS warned yesterday that a vote by the party assembly tomorrow in favour of an alliance with the SDP should not be interpreted as a sign that the Liberals are prepared to divide up all their hard-won spoils with the new party.

They are using the full battery of media weapons available at party conferences: Press conferences, news letters, badges, and even songs. The activists, arriving in Llandudno for their annual conference have made it clear that, however enthusiastic Mr David Steel, the Liberal leader, may be about his new-found allies, their own feelings about the Social Democrats are tinged with a strong element of territorial jealousy.

Proudly producing figures to demonstrate the "grass roots revolution," which the Liberals have already achieved on their own, the Association of Liberal Councillors (ALC) insisted that they would not be a "push-over" for any political party.

As the ALC put it, "voting for the alliance tomorrow is the easy bit: the difficult bit is going to be making the alliance work."

At the beginning of what looks like the largest, and quite probably the most important, assembly in the party's history, virtually nobody was prepared to say yesterday that the alliance was a bad thing as such.

Most delegates already regard the alliance as a political fact of life. But Mr Steel's curiously insensitive admission on television on Sunday that he might be prepared to disown a Liberal candidate who stood against a more suitable SDP candidate yesterday produced a basklash.

The Liberator, which claims to be the organ for radical Liberals, warned yesterday that "just about every day cast further doubts on the credibility of the SDP as a suitable partner."

New recruits, it said, were increasingly "the dross which nobody else wanted."

At a Liberator Press conference, Sir Michael Meadowcroft, chairman of the assembly committee, warned that the tendency of the leadership to be "over-enthusiastic" about an alliance with the SDP was already tending to "strain loyalty and to divide the Liberals."

He acknowledged that, in certain circumstances, an alliance might be good for the country, but said he was still waiting to be convinced.

The target of 500 candidates, already set by the Liberals before the SDP came on the scene, he said, still struck him as a reasonable base. If the two parties could reach further agreement on policy, then perhaps they could reach accord on some of the remaining seats.

All the signs were that, whatever guidelines the Liberal and SDP negotiating committee agree to send to local parties on dividing the seats between them, it will be the issue of who fights which seats which creates the most problems for the new alliance.

The problem seemed to loom largest when the local SDP party is dominated—as in some London constituencies — by former Labour right-wingers, whom the local Liberals have spent years fighting and have learned to hate.

One member of the Liberal Party in Newham, where a number of right-wing Labour councillors are expected to follow the example of the 16 Islington Labour councillors and defect to the Social Democrats, went as far as saying that Mr Steel could split the party if he tried to force the Liberals to co-operate with such people.

Mr Steel has no power to force local parties to do anything. But his suggestion that he might be prepared to disown a Liberal candidate who stood against a more suitable SDP candidate certainly set a cat among the pigeons.

Mr Cyril Smith, the Liberal MP for Rochdale—who, with his only slightly less round mother at his side, has become one of the tourist attractions at Llandudno—said yesterday that any such attempt would be "catastrophic."

The ALC was equally appalled by the suggestion. Nevertheless, its attitude was not entirely unhelpful to Mr Steel. The association acknowledged that some of the 230 parliamentary candidates already adopted by local parties might have to stand aside. It was essential, it said, to avoid a situation arising where Mr Steel might be forced to disown a candidate.

But its main message was directed at the SDP. The Liberals, it said, were willing to work in an alliance, but they were not prepared to be "walked over," and the SDP should respect the "proud history and long traditions" of the Liberals.

The association is one of a number of organisations to have tabled amendments to the main motion of the alliance tomorrow.

Gas project abandonment 'puts 5,000 jobs at risk'

BY SUE CAMERON

UP TO 5,000 jobs and up to £500m worth of orders could now be at risk as a result of the Government's decision to abandon the UK's planned £2.7bn North Sea gas gathering project, a trade union leader warned yesterday.

Mr Roger Lyons, national chemicals officer of the Association of Scientific, Technical and Managerial Staffs, spoke at a news conference of his "outrage and shame" at the Government decision. He is resigning from the Petrochemicals Sector Working Party—the industry's little Neddy—in protest.

Mr Lyons' resignation came on the eve of a key meeting of the gas gathering pipeline organising committee which was established last summer when the Government originally gave the go-ahead to the project in principle.

British Petroleum, British Gas and the U.S.-based Mobil are all represented on the committee. They have spent over £8m on initial design studies for the scheme. This morning they will meet to decide whether or not to disband.

The feeling in the industry last night was that the committee will decide to stay in existence at least for the next few months.

The Department of Energy has said it might be possible for an integrated pipeline system to be built by the private sector.

The oil companies had objected to the leading role the corporation would have taken in the schemes that has just been abandoned. They also opposed the scheme on the grounds that BGC was not prepared to pay them enough for the gas.

Mr. Lyons claimed yesterday that the interests of the UK petrochemical industry had been "overshadowed" by the powerful lobbies of the oil companies and of British Gas.

The Government's decision amounted to a "squandering of the national heritage," he said. The UK was the one country in the world with oil and gas that was shutting down petrochemical plants.

Woolwich may scrap differential rates

BY ANDREW TAYLOR

WOOLWICH EQUITABLE, one of the UK's largest building societies, may scrap differential mortgage rates. This is the system by which those with larger mortgages pay higher interest rates.

Mr Alan Cumming, Woolwich's chief general manager and Building Societies Association chairman, said the Woolwich might introduce a standard mortgage rate for all its loans.

He said the association was already considering such a proposal. Indications yesterday were the Woolwich might go it alone if agreement with other societies was not reached.

Building societies' mortgage rates vary widely depending on loan sizes — Woolwich's range from 13 per cent for less than £15,000 to 14½ per cent for more than £25,000.

Mr Cumming said raising the same amount of cash by single-rate Woolwich would currently need a standard rate of just under 13.2 per cent for all loans

The Halifax, the largest UK society, last night supported the standard rate mortgage principle but said it would need to consider detailed proposals.

The pressure for standard rate arises because of:

- **Greater competition from banks, such as National Westminster and Williams and Glyn, charging a standard 13.5 per cent for all home loans, making them more attractive to larger borrowers.**
- **Mortgage-rate differentials which have penalised home-buyers, in the South-East and other regions, where house prices are substantially higher and there is a greater need to borrow more.**

Court hears gaming licences renewal objections

BY RAY MAUGHAN

OPPOSITION TO renewal of gaming licences at the Playboy Club, Park Lane, and the Clermont Club, Berkeley Square, in London's West End, was made yesterday by the Gaming Board and the Metropolitan Police.

Mr Michael Kempster, police counsel, told Caxton Hall licensing magistrates count hearing the renewal application that favoured gamblers at the Playboy were allowed to run up and pay off debts with cheques drawn on banks where they had no accounts.

He said he had a statement from Playboy Club, owned by Chicago-based Playboy Corporation Inc., admitting occasions when certain patrons were given tokens for cheques drawn on banks where they had no account.

Sometimes, the club's admission said, tokens were given with the knowledge of members of the casino's management.

Objections to renewal centre on internal conduct of the clubs. They question their proper management in accordance with the Gaming Act, 1968, and the relationships between patrons and staff.

Opponents of renewal seek to show the club contravened the Act by letting new members gamble within 48 hours of joining and by granting membership to porters at five London hotels for taking guests to the casino.

Patrons were let to run up heavy debts, Mr Kempster said, being let to write cheques even when their bank balances were inadequate. Thy were let to play even after cheques were returned.

Shell named as Dunlop tyre material partner

BY JOHN GRIFFITHS

SHELL International Chemical, a Royal Dutch/Shell subsidiary, disclosed yesterday that it is the company which has developed with Dunlop a new tyre substance reducing rolling resistance without paying the penalty of less grip on wet roads.

Tyres containing the new material were shown two weeks ago by Dunlop, which is in the process of presenting them to car manufacturers for evaluation.

At the time, Dunlop said it could not name the company because it was planned to present samples to other makers. Shell is now introducing the material in sample quantities to these other makers from a small manufacturing plant in the Netherlands where full-scale commercial production is planned for next year.

The material is Cariflex SSCP-901, a solution polymerised styrene-butadiene rubber for use in radial tyres' tread compounds.

Dunlop claims that in tests with a BL Metro at the Motor Industry Research Association's test grounds, the tyres improved fuel consumption by 5.2 per cent, equivalent to a saving of 9p a gallon at current pump prices, because of their lower rolling resistance. The company estimates that 21 per cent of a car's power is used simply to overcome rolling resistance at a speed of 75 mph rising to 60 per cent in town use.

Tyres using the material are expected to be more expensive than conventional ones, but Dunlop predicts that the extra cost will be marginal once they are produced in volume.

The Dunlop-Shell development is the result of 10 years' research into the inter-action of tyres and road surfaces. Dunlop believes that although its competitors will have access to the material, it has a healthy head-start in bringing them to production.

The compound is said to be suitable for tyres of all types, irrespective of their profiles.

Spending in shops rose sharply last month

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

SPENDING in the shops rose sharply in August, according to *provisional government figures* published yesterday, although *many retailers still report that* trade remains difficult.

The provisional retail sales figures from the Department of Trade show a rise in volume from the July index level of 109.7 to 111.5 in August (1976=100, seasonally adjusted). This brings the volume of trade in August back to the June level of 111.7.

However, the August figures are only provisional and the *Department of Trade has this* year repeatedly made substantial revisions *in its provisional* estimates when fuller figures are known. In July, for example, the provisional volume of trade was given as 110.5, which was subsequently revised *downwards* to 109.7.

The main reason given by retailers for the apparent sales *recovery in August* was the sunny weather, which helped *to boost sales* of gardening equipment and summer *fashions.*

Mr Bob Lloyd-Jones, director-general of the Retail Consortium, said yesterday that the August figures "were more or less what we expected."

However, he pointed out that retailers were still under heavy *pressure* from rising costs, especially rates, and said that retail prices were generally *rising slower than* the rate of inflation.

Mr Tom McAuliffe, chairman of the Argos discount stores *group, reported* that his company's sales increased by about a fifth in value between July and August. He said that was mainly due to the publication of the new Argos catalogue. But he added that *this boost* had done little to dispel his belief that sustained recovery would not happen for another *18* months.

Mr David Johnson, chief executive of the *Rumbelows* chain, said that sales of electrical goods had remained buoyant in the past few months. Video recorders in particular have continued to sell well, even after the boost of the Royal *wedding.*

Mr Johnson also suggested that consumer spending in the shops until Christmas may be better than he had previously expected.

The John Lewis Partnership reports that sales in its department stores for the week ending *September 5 were* up by 4.9 per cent on the same week last year. Food sales rose by a similar amount.

Some support for the government sales figures has come *from the* latest figures for consumer credit applications published by the United Association for the *Protection of* Trade, the largest credit information agency in the UK. These showed that demand for credit in August was only 2 per cent lower than in the same month last year.

Analysis of the Department of Trade's figures show that sales *volume in the three* months June to August were *about the same* as in the previous three months. However, *during the first eight* months of 1981 the average *level of trade* was about 2 per cent higher than in the corresponding *period of 1980.*

IBM plans £20m factory expansion at Havant

BY JASON CRISP

INTERNATIONAL Business Machines UK (IBM) is to make a substantial investment at its Havant plant in Hampshire. The company is expected to spend about £20m on equipment and buildings to make substrates on which microchips are mounted.

IBM employs 2,000 at Havant. Although it expects to require 300 for the manufacture of substrates, it does not anticipate increasing its overall level of employment. The staff will come from other product lines where the continuing miniaturisation of electronics is reducing the work involved in assembling and testing computers.

Havant will eventually become the sole source of substrates for IBM in Europe. At present, they are made at *Corbeil-Essones, outside Paris,* and at Sindelfingen in Germany. *Production is expected to* reach 40m substrates a year and products will be *shipped to* Corbeil-Essones where memory and logic microchips are made to be mounted on the substrates.

A number of other sites in Europe were also considered by IBM. The company, which also manufactures at Greenock in Scotland, applied yesterday to the Havant district council for planning permission to extend the site by 24,000 square feet.

Elaine Williams writes: Plessey Telecommunications is to spend £2.5m on a new engineering centre at its Edge Lane complex in Liverpool.

Power cuts caused by heated cables

By Maurice Samuelson

Last month's widespread power failure across Southern England and Wales was *caused by overheated power-lines sagging on to trees,* the Central Electricity Generating Board has told Mr David Howell, the Energy Secretary.

This is the finding of a *preliminary inquiry* into the August 5 power cuts, the *worst in Britain* for nearly 20 years. The board is also drawing up a more detailed inquiry into the incident for its own internal use.

The preliminary report completed last week confirmed that two 400 kilovolt "super-grid" transmission lines had expanded because of the extremely hot weather

Calor Gas prices pact with dealers banned

BY OUR CONSUMER AFFAIRS CORRESPONDENT

A *PRICE-FIXING* agreement between Calor Gas and a *number of its dealers* was yesterday banned by the Office *of Fair Trading.*

Details of the agreement were yesterday formally placed on the register of restrictive trade practices in London. This procedure officially declares the agreement null and void, and also enables legal action for compensation to be started in the civil courts.

The agreement relates to Calor Gas, Domestic Industrial Pressings, Infradex, Super Ser, and Valor Heating. Valor has denied that it was party to the agreement.

The agreement started on January 12 this year and *operated until April 7.* Under its terms, Calor Gas agreed prices at which it would sell liquefied petroleum gas burning heaters to its dealers.

In return, the manufacturers agreed not to sell heaters to Calor's dealers at prices lower than those offered by Calor. *These prices were to remain* in effect until last March 31.

Under the restrictive trade practices legislation, companies can lawfully operate restrictive trade agreements only if details are given to the OFT in advance to be placed on the public register. The agreement can then operate lawfully until the courts decide if it contravenes the public interest.

August was 'excellent' for holiday business

By James McDonald

AUGUST WAS an "excellent" month for the English tourist industry, and the levels for both domestic and overseas tourism may prove to be a record for the month, Mr Michael Montague, chairman of the English Tourist Board, said in London yesterday.

The industry, he said, had been benefiting from "post-Royal Wedding joys." A combination of sunshine, a more competitive currency, and the very favourable world-wide impact of television coverage of the wedding had contributed towards *the industry's* fortunes.

"*London, for example,* has had many hotels full. In a *good number of cases,* this is continuing," he said.

***Much* depended upon the future pricing policy of individual concerns in the industry for the maintenance of this recovery, he said. "I appeal to them to keep their prices at this now very competitive level."**

● Tourism and holiday-making by Britons reached a record last year in spite of inflation, growing unemployment and the economic recession, according to the British Home Tourism Survey 1980, published yesterday by the English, Scottish and Wales Tourist Boards and the British Tourist Authority.

British tourists took a record 146m trips during the year, either in Britain or abroad. They spent 720m nights away from home. This represented an 11 per cent increase over 1979 in terms of trips and a 4 per cent increase in nights away.

Nights away spent in Britain last year, at 550m were up by 4 per cent compared with 1979, while nights abroad rose by 12 per cent

The survey based on more than 26,000 interviews and carried out by NOP Market Research, shows that Britons are trading down in their holidays.

They spent a record £4.55bn in Britain last year, 15 per cent more per night than in 1979 (£8.30 compared with £7.20), but this increase was below the average rate of inflation over the period.

British Home Tourism Survey 1980. £2.25. British Tourist Authority, 64, St James's Street, London SW1.

Tourism fears over Scottish air routes

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

CONCERN OVER the possible abandonment by British Airways of some or all of its Scottish internal routes, if they cannot be restored to profitability, has been expressed by the Scottish Tourist Board.

Mr Alan Devereux, chairman of the STB, said that the routes which could be affected were national lifelines of vital importance to the Scottish economy and tourism.

They included essential communications links between Glasgow, Edinburgh and Inverness and a number of important communities in the North and in the Scottish islands.

"In tourism terms, if BA applied to the Scottish services their undoubted expertise and promotional fares which successfully sell their services to overseas holiday destinations, the present situation would not have arisen," said Mr Devereux.

BA has said that if a plan to restore the internal Scottish routes to profitability cannot be devised soon, the routes would be abandoned, as part of its economy cuts.

Mr Devereux said that it had always been his view that what was needed was "a Scottish airline with a real vested interest in Scotland and a strong commitment to Scottish trade and tourism.

"The current plans of British Airways for both international and domestic flights in Scotland *do not seem to me* to provide support for the view that British Airways could fulfil this role. Nor do they accord with the responsibilities of Britain's flagship airline."

● British Caledonian, the independent airline, is adding Douala, in the African state of Cameroon, to its network on November 1. Flights will be once-weekly each way, using Boeing 707 jets. Single fares will be £781 first-class and £550 economy class, with a 19-25 day Excursion at *£732* return.

Leisure facilities help bring investment, says Minister

BY ROBIN REEVES, WELSH CORRESPONDENT

THE PROVISION of tourist facilities and the attraction of new manufacturing investment go hand in hand, Mr Nicholas Edwards, the Secretary of State for Wales, stressed in Cardiff yesterday.
Tourism Society's annual conference, said that the building
Mr Edwards, opening the
of leisure facilities did not just concern tourists and overseas visitors. "If you are to attract inward investment, one of the first things you need to construct is a golf course," he declared.

Noting that he had been attacked for this suggestion in the Daily Mirror recently, Mr Edwards declared: "It may be beyond the comprehension of the Daily Mirror, but not of companies thinking of setting up in Europe."

During his recent visits to the U.S. and Japan to discuss manufacturing investment, he had found that companies regarded facilities for sport and leisure entertainment as of prime importance in their choice of location.

"In the U.S., high technology industry is moving into Colorado, away from the crowded west coast, because the area has a great concentration of leisure facilities," Mr Edwards added.

Turning to the air travel, Mr Edwards said that it was a "*matter of concern and regret*" to the Government that the *structure of European air fares* was inhibiting travel to other *parts of the world.*

"This is causing the British Government serious concern and we would like to make changes," he said.

Mr Edwards also stressed the importance of developing leisure centres in the older holiday resorts. Traditional holiday centres in Wales such as Llandudno and Rhyl had transformed themselves through the construction of all-weather leisure centres, with the aid of Government and EEC support.

Lloyds chairman says devalued £ is no salvation

BY MARTIN DICKSON,

THIS YEAR'S fall in the pound's value comes as welcome *relief to many exporting companies.* There was, however, no salvation for the British economy down this devaluation route, Sir Jeremy Morse, chairman of Lloyds Bank, said *yesterday.*

He was addressing an Institute of Bankers' seminar in Cambridge.

He said that this year the pound had lost almost half the *previous four-year rise in its effective rate against all currencies* and over two-thirds *of its rise against the dollar* alone.

This fall had affected UK *companies variously.* There was no denying, however, that for a *great many hard-pressed* UK manufacturing and exporting companies the fall had come as a welcome relief. If accompanied by a continuing moderation of wage and other costs it offered a chance to restore some of the UK's lost competitiveness.

That however was the only good thing to be said about it. The 30-year decline in sterling from the end of the Second World War had proved there was no salvation for the UK *economy down the devaluation* route, Sir Jeremy said.

"It encouraged British industry to compete on price rather than on quality and delivery, and in the end it increased our relative propensity to inflation."

The first flows of North Sea oil in *1977 had given the UK* a chance to escape from a dangerous spiral of inflation and devaluation. While Britain remained the only major economy to be self-sufficient in *oil this would tend to strengthen* sterling.

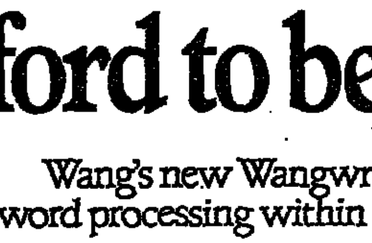
Sir Jeremy said the argument was still heard that lack of investment was the main barrier to economic progress in Britain and that the banks were primarily to blame. The banks had, however, responded well *to demands for investment* finance.

"Corporate borrowing depends much more on the demand for finance than on the supply, since in spite of the constraints of prudential and monetary policy the banks have always given priority to their industrial customers," he said.

"It is no part of a bank's function to persuade its corporate customers to increase their capital spending over and above the level which can be expected to yield an acceptable rate of return."

The recent evidence showed that in spite of the recession *industrial investment* as a whole had not fallen between *1979* and *1980:* service industries invested more while manufacturing industries invested less. In 1981 the total might decline but investment had always followed a cycle.

"If anything, taken over the cycle, investment in the UK has tended to rise faster than output and one should even ask whether in some sectors—particularly the nationalised industries—there has not been too much as opposed to too little investment."



UK NEWS

New GLC top posts are part of structural shake-up

Gareth Griffiths looks at the left-wing administration at County Hall and its future plans and prospects

READERS OF newspaper and magazine *advertisement* columns may recently have noticed a series of job advertisements for new posts with the Greater London Council, paying high salaries and dealing with such subjects as race relations, police affairs and economic development.

Ratepayers in London, faced with an average extra £1.35 a week in rates from October to fund a GLC supplementary rate *and with* the prospect of substantial rate increases next spring, have seized on these posts as symbolic of the new style GLC where left-wing Labour party members are running the largest local authority in Western Europe.

The 22 new jobs in fact account for slightly less than a one in a thousand increase in total GLC staff. Half are being recruited from inside the council.

The three areas covered by the new posts are those where the new style GLC wants to take action and where its proposed approach is in sharp contrast to those of the preceding Conservative administration *led by Sir Horace Cutler.*

The two jobs at the police advisory committee are for a head of research and support facilities at £20,000 a year and *for* a research assistant at £16,485. The GLC has no policing powers, unlike any other metropolitan county, and it wants them. However, it is likely to meet with active opposition from the Home Office and the new jobs are likely to have a mainly publicity role.

An ethnic relations advisor at £22,000 per year will advise the council's new ethnic minorities committee. *Mr Jeremy Thorpe,* the former Liberal Party leader, is among the applicants.

The largest number of new jobs will be created for the *Greater London Enterprise* Board, which will have an investment income of nearly £300m over the next three years. A chief executive will receive not less than £25,000 a year and up to three full time and five part time members will be appointed. *Their aim is to help* create conditions for the revival of the capital's manufacturing base.

Back up support for the new *posts* will be provided internally as the GLC has some surplus staff from the run down of its housing responsibilities and department. All the new posts are on four year contracts. The GLC says the jobs have been created where no appropriate *officer structure was available.*

The three new departments and committees also indicate the Labour group's intention to introduce a greater element of political accountability into the bureaucratic GLC structure.

Labour committee chairmen see their present authority in dealing with a large organisation with a staff bill of some £220m a year, as often notional.

Mr Ken Livingstone, GLC *leader, has attracted* considerable public attention since he took over the job in May. He says this is because in the silly season of August newshungry reporters need good copy, which he provides, and that the other "bogey" or "cult" figure of the Labour left wing, Mr Tony Benn, has been in hospital.

He is *happy to outline* his view of the GLC's role and that of local government to the considerable number of journalists who visit him.

He believes that local government should be responsible for micro economic policy and that industry and commerce should pay the major share of rates.

Business, he argues, needs to bring people into the central areas of London for work and transport *subsidies* (a *major* plank in the Labour London programme) should therefore be met by business taxes.

He also has a strong bias against service industries, particularly tourism, which he says creates marginal low wage employment *which should not* exist. Instead, he wants to see a revival of London's manufacturing base and he looks to the Greater London Enterprise Board to do it.

A major threat to his survival and that of a Labour administration at County Hall comes from division within the Labour party itself, with possible defectors to the Social Democrats threatening its already slim *eight-seat majority.*

The Party Whip system has effectively broken down. The power base among the nine committee chairmen is firmly Left-wing and the party's Right is very disaffected.

The other threat comes from the Government. *Mr* Livingstone has already said that he will resign as leader rather than implement cuts in spending and services in a similar manner to *Lothian regional council* in Scotland.

But he is already reconciled to a smaller increase in the GLC rate precept than he originally hoped for. Instead of raising it to 54p in the pound from the existing 24.7p, the latest upper estimates are about 48p.

Mr Livingstone, like 10 of his colleagues, works full time as a GLC councillor, and the six months since Labour took over have seen some important structural changes in the way the authority works.

To involve as many elected members as possible the role of "authorised members" was established almost as soon as Labour took power. This allots a particular area of specialised responsibility to a backbench member of the council who is not a committee officer and to whom officials in that area are responsible.

At the same time there has been a greater emphasis on Labour group decisions. Three *young* people, Veronica Crichton, Bill Bush and Steve Bullock, act as a political office for the Labour group, monitoring GLC policy and ensuring liaison between the full time bureaucracy and the politicians.

Changes in the way the GLC is run are planned for next year, although there is scepticism about whether they will take place. A plan for organisational change by the previous Conservative administration failed.

Mr Livingstone says that senior staff at County Hall are overpaid and receive 30 to 40 per cent more than they would outside. Top salaries are around £30,000 per year.

County Hall is similar to Whitehall in offering a wide range of jobs and career opportunities, and because of its size it attracts some very able people.

Officials such as Mr Peter Newsam, the Inner London Education Authority education officer, Miss Audrey Lees, the GLC planning officer, or Mr Maurice Stonefrost, the comptroller of *Financial Services,* are regarded as the best of their type in the country.

Coupled with the strong departmentalism in the GLC this *has provided a strong barrier* to organisational change in the past. Mr Livingstone wants to change this and bring more direct political pressure to bear on decision making.

Another deterrent to large scale change is the fear by Labour GLC leaders of what *they call* the Lambeth model. This is a reference to the changes instituted by a similar left wing Labour group when it took over running the London borough of Lambeth in 1978. The result has been a period of administrative chaos.

Finally, the impetus for structural change depends on political will. *The GLC will be one* of the leading authorities in the fight against the Government's legislation in the autumn to tighten controls over local *government spending, and there* are also likely to be a series of exhausting battles over next year's budget.

MR. KEN LIVINGSTONE, the controversial leader of the Greater London Council, attributes his recent bout of press publicity to the needs of the newspaper "silly season."

Genetic engineering 'a potent force'

BY DAVID FISHLOCK, SCIENCE EDITOR

GENETIC engineering would produce far-reaching changes in every aspect of human life within the next two decades, the Pharmaceutical Society was told at its annual conference at Brighton yesterday.

Professor Arnold Beckett, in his presidential address to the society, said it was for the public to decide whether the changes would be for the better.

Genetic engineering would be used to develop pesticides and herbicides highly specific in their action.

It would be used to clean up pollution, such as crude oil spilt on water. "The capacity of micro-organisms to metabolise *crude petroleum can be* developed with startling benefit to petroleum technology," he said.

Other organisms could be *given an appetite for metals* and thus used to enrich ores too lean to be of commercial interest today.

In medicine, developments *would lie* "in the understanding and discovery of pharmaceuticals for the control of virus diseases, cancers, and auto-immune diseases, probably including *diabetes, rheumatoid* arthritis and multiple sclerosis."

Professor Beckett told an audience, which included Dr *Gerald Vaughan, Minister of* State for Health, that the pharmaceutical profession did not fear the inquiry into pharmacy which, it was being *said, the Government wanted.*

"The profession is absolutely confident that the result would *point clearly* to a positive future contribution by pharmacists to the health care service."

Its only concern would be that, "as in the past, the necessary government support might not be forthcoming."

But he urged the minister to take a broader view of primary health care, and to inquire into the future contribution of all the health professions. "If we do not have an integrated approach, we will surely fail in our duty to the patients we serve," he said.

Dr Vaughan, addressing the meeting, said that the number of chemists' shops was likely to increase this year, for the first *time for a decade.* "That is very good news indeed," he added.

But Dr Vaughan believed that drugs were often wasted, at a cost to the health service he estimated at £100m a year.

Microcomputers to be school essay prizes

By Elaine Williams

THE DEPARTMENT of Industry is to give 100 microcomputers as prizes for the best suggested use of computers in schools, Mr Kenneth Baker, Information Technology Minister, said yesterday.

This is the second year that the department has run the "Micros in Schools" competition *to increase awareness* of advanced technology among schoolchildren.

This year the competition will be run by the British Computer Society on behalf of the Department and will be open to all secondary schools and sixth *form colleges.*

Entrants will be asked to submit an essay of 3,000-4,000 words, with appropriate diagrams, describing the use of a computer by schools for a specific project.

Last year the competition had more than 400 *entrants from* more than 8,000 secondary schools in the UK. Already about 50 per cent of secondary schools have some sort of computer facility.

In April the Prime Minister announced a £4m programme *to install a microcomputer* in every secondary school by 1983. The Industry Department matches pound for pound expenditure by local education authorities on computers.

Since the campaign started, the department has received more than 1,200 applications from schools. Two UK companies, Research Machines and Acorn Computers, have been nominated as official suppliers.

Smoking and sport pact soon

THE Department of the Environment, which includes the Sports Ministry, will soon reach a voluntary agreement with tobacco companies on their sponsorship of *sport, according* to Dr Keith Taylor, director-general of the Health Education Council.

Directors appointed to RIT

By Tim Dickson

THREE DIRECTORS have been appointed to the board *of RIT, the investment trust* headed by Mr Jacob Rothschild.

The best known of the three is Mr David Montagu, *formerly chairman of* Samuel Montagu and Company and Orion Bank. He is expected to become executive chairman of Ailsa Investment Trust this *week. Shareholders yesterday* approved reconstruction proposals initiated by RIT.

Mr Montagu is to devote most of his time to running *the reorganised company but* through RIT Investment Management (Ailsa's new management company, of which he will be chairman), other portfolio *management ventures* are expected to develop.

Mr Montagu, who left Merrill Lynch International last December, is also chairman of United British Securities Trust and Derby Trust.

The other two new directors at RIT are Mr Allard Jiskoot and Mr Charles Wilson. Mr Jiskoot was managing partner of Pierson, Heldring and Pierson in Amsterdam *and is still* a director of the company. He is also a director of Philips, Canadian Pacific, Heineken and Elsevier.

Mr Wilson is an executive director and *former* managing director of Dawnay Day Holdings, which RIT took over at the beginning of last year.

Homes inquiry near ICI plant

A PUBLIC inquiry will open today into a plan to build 540 homes near a chemical plant which has been *declared* a major hazard.

The Government's health and safety executive has said there should be no building within one mile of the ICI works at Thornton near Fleetwood, Lancs. But the local council *has given its approval* to the housing estate because it considers the risk negligible.

Manchester enterprise zone opens with warning

BY RHYS DAVID, NORTHERN CORRESPONDENT

THE GREATER Manchester Enterprise Zone—800 acres in the boroughs of Salford and *Trafford—was officially opened* yesterday by Mr Michael Heseltine, Secretary for the Environment.

He later launched The New *Life,* a £16,000, 25-foot *motor* sailer built by one of the first companies to move into the zone, International Marine.

The zone covers part of the Trafford Park *industrial* estate and a large tract of under-used land owned by the Manchester Ship Canal. Companies operating in the designated area will *enjoy exemption from* rates and development land tax, 100 per cent capital allowances for commercial and industrial buildings, and simpler planning *procedures.*

Mr Heseltine warned that the zone could not hope to solve all the problems of Greater Manchester, where unemploy*ment exceeds 13 per cent.* But the activity generated in the zone could have a spin-off effect, he claimed, to benefit the whole of the Trafford Park estate and inner parts *of Salford.*

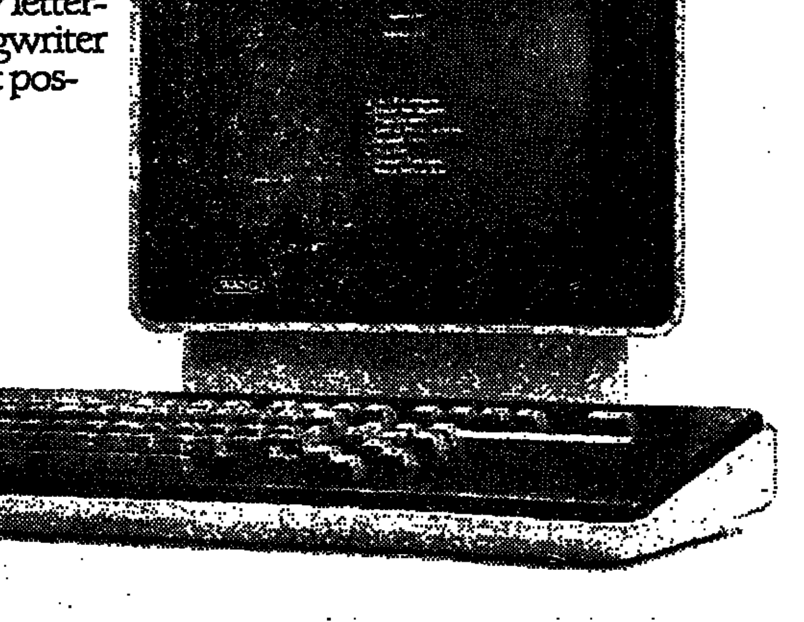
The zone itself has attracted controversy in Manchester because of the likely effect on parts of the Trafford Park estate which fall outside its *scope.*

According to some estimates, the zone is big enough to satisfy development needs in the vicinity for 10 years and so could almost halt the creation of new space nearby.

Supporters of the scheme argue, however, that the zone will help to bring back into use large tracts of vacant land.

Thus the Manchester Ship Canal—which has roughly 200 acres in the zone—is making available a number of sites of up to 20 acres, and Dunlop Heywood, the agent appointed by the canal company to market the land, reports a brisk level of inquiries.

One of the sites in the zone *previously occupied by* Manchester Dry Docks has been renamed Trafford Wharf Estates and has already attracted a number of new businesses, *Dunlop Heywood claims.*



Support for Healey in TGWU poll

BY CHRISTIAN TYLER, LABOUR EDITOR

OVERWHELMING support for Mr Denis Healey to continue as deputy leader of the Labour Party has been recorded in one of the regions of the Left-led Transport and General Workers' Union.

TGWU branches in the traditionally conservative north of England have voted by about five-to-one for the status quo.

Converted into membership, the vote shows about 40,000 for Mr Healey, 7,000 for Mr John Silkin, the union's sponsored MP, and fewer than 5,000 for Mr Tony Benn. Branches covering some 50,000 of the region's 84,000 members sent in returns.

Other TGWU regions said to be swinging behind Mr Healey include southern, south-western and Yorkshire, while Wales is reportedly split between Mr Healey and Mr Silkin. Scotland and the big London region are likely to back Mr Benn.

The results of the polling, still continuing in some regions, will be considered by the TGWU general executive next week. The executive will then make a recommendation to the union's delegation to the party conference on Sunday week, only hours before the election is held.

The result of the Northern region vote is said to be a reflection of the view of Mr Alex Kitson, TGWU acting general secretary and chairman of the Labour Party, who has consistently argued that there should be no contest for the deputy leadership this year.

TGWU leaders are inclined to support Mr John Silkin on the first ballot. The way the votes appear to be going among the membership could make it difficult for the union's delegation to support Mr Benn at any stage in the election.

Mersey dock mass meeting called

Financial Times Reporter

A MASS meeting of the 3,500 dockers on the Mersey has been called by the port shop stewards in the Liverpool Boxing Stadium tomorrow morning, to discuss the deadlocked negotiations on their annual pay claim, now five months behind schedule.

The decision was taken at a four-and-a-half-hour meeting of the 100 stewards in Liverpool yesterday which adjourned without deciding on any recommendation to put to the men.

A fortnight ago the stewards recommended rejection of the port employers' "final" pay and productivity deal and this was carried by a 2-1 majority.

Since then the employers have closed the door on any further negotiations. The stewards will reconvene in Transport House tomorrow morning before the mass meeting, to try to decide on a recommendation.

Yesterday's meeting was at times heated, with the stewards almost equally divided, and some left the hall obviously still angry at the stringent changes in working practices on which the employers are insisting.

There is little argument about the pay award based on an £11 increase on the basic, proportionate rises on the twilight and night shifts, improved bonus and piece-work rates and a £200 lump sum backdated to the beginning of May.

The meetings tomorrow will coincide with the release of the half-yearly figures of the main employer, Mersey Docks and Harbour, which are expected to show another substantial loss.

Seamen to present claim today

BY BRIAN GROOM, LABOUR STAFF

LEADERS OF 26,000 merchant seamen will this afternoon present their annual claim on pay and conditions against the background of what British shipping companies say is a continued deterioration in their financial position.

The claim will be fixed at a meeting of the executive of the National Union of Seamen this morning. The practice in recent years has been to put forward a substantial but unquantified claim for an increase in pay along with specific extra elements.

Last year a dispute on overtime rates resulted in the most damaging period of industrial action since the 1966 seamen's strike. It ended with an arbitration award which increased the rates from time-and-a-quarter on all overtime to time-and-a-half, except for the first two hours of each weekday.

When the last stage of the award is implemented on January 1, seamen's earnings will have increased over the year by about 16 per cent, calculated on existing work patterns. The union side will say, however, that a fall in the amount of overtime reduces that figure.

After last year's dispute, some shipping companies would like to negotiate their own pay deals and avoid the talks in the National Maritime Board where they are represented by the General Council of British Shipping.

There is a possibility of individual deals being struck, but time is running short and it is believed that most companies will remain with the main negotiations.

Employers will emphasise the fact that the General Council of British Shipping's index of tramp trip freight rates has fallen to 172 in August from 234 at the beginning of the year (1976=100). This is the lowest level since May 1979.

Vauxhall workers reject 4% pay offer

BY OUR LABOUR STAFF

TRANSPORT and General Workers Union members at Vauxhall's Ellesmere Port plant on Merseyside voted at a mass meeting yesterday to reject the company's pay offer, worth about 4 per cent.

Shop stewards from the Amalgamated Union of Engineering Workers have recommended that the offer should not be accepted and say consultations with their members at Ellesmere Port are resulting in a rejection.

The decision of the 3,000 TGWU members, half the Ellesmere Port workforce, was relayed to management.

A national joint negotiating committee meeting for the whole of Vauxhall's manual labour force has been fixed for September 25.

The company has told the unions that it will enter negotiations to improve the offer if higher earnings are paid for entirely by higher productivity.

The company has already warned union negotiators for the 16,000 manual workers that funds for increases this year are limited. Vauxhall made a half-year loss of almost £60m.

The offer also involves a one-hour reduction in the working week to 39 hours.

TUC award-winner in sit-in

THE WINNER of this year's TUC award for youth was yesterday involved in a works sit-in.

Ms Carmen Wootton, 23, from Anstey, near Leicester, returned with her award from the TUC Blackpool conference last week to find she was one of 75 people sacked by Evan Lifts, of Leicester.

The 75, all members of TASS, were deemed by the company to have dismissed themselves for refusing to halt disruptive action over a two-week-old pay and conditions row.

Shortages of meat 'in a week'

BY BRIAN GROOM

SHORTAGES of fresh meat will be seen in the shops within a week, according to leaders of 600 meat inspectors in England and Wales who yesterday began to work to rule.

Their union, the National and Local Government Officers' Association (Nalgo), claimed yesterday that slaughterhouse throughput in some areas had been reduced by up to 60 per cent. The weekly national red meat throughput of 22,000 tonnes of veal, lamb, mutton and bef could be down to 9,000 tonnes by the end of the week, it said.

The Nalgo members, who make up virtually all the country's meat inspectors, are "rigidly" implementing the 1963 meat inspection regulations, the union said.

The inspectors want an improvement in pay grading to compensate for additional duties and for a deterioration in working conditions which they claim has resulted from increased mechanisation in slaughter-houses.

Mr Alan Dunn, deputy general manager of the Dewhurst chain of butchers' shops, said he believed some abattoirs were working "fairly normally" but others were harder hit.

He expected the work-to-rule to gain strength today and by the weekend there may be a shortfall in shop supplies of about 20 per cent. This could grow next week and would force prices up.

The employers' side of the national joint council for local authority white-collar staff and it was too early to assess the impact of the work-to-rule properly. It had seen no evidence to support the union's claim of a 60 per cent drop in throughput.

No further negotiations have been arranged, but the employers feel that procedures are not yet exhausted. They have offered a maximum of £7,137 a year, compared with the £5,652-£6,333 which the inspectors now earn. The union is seeking a range of £7,371-£7,875.

BA rescue plan for discussion

By Our Labour Staff

BRITISH AIRWAYS unions and management are to meet on Thursday within the National Joint Council for Civil Air Transport, to discuss the corporation's plan for the loss of 9,000 jobs, a pay freeze and drastic cuts in routes and stations.

National union officials and shop stewards met yesterday on the British Airways Trades Union Council to discuss the rescue package.

This meeting effectively deferred any statement from the union side until after Thursday's joint council.

Union representatives at yesterday's meeting are understood to have reaffirmed their opposition to compulsory redundancies but did not take their response much beyond this.

The corporation intends to make redundancies voluntary as far as possible.

Staff were yesterday told details of the severance scheme, which was said to be of limited duration and liable to be withdrawn at any time.

The scheme involves payment of a half year's pensionable pay —basic pay plus London weighting—for less than three years' service, one year's pay for three to 10 years, and an extra 10 per cent of pay for every year of service to a maximum of a year and a-half's pay for 15 years' service and over.

Shop stewards representing engineerig maintenance workers have already met to discuss their response and have decided to provide as much co-operation as possible with management.

They oppose to compulsory redundancies and have not yet discussed the demand for a pay freeze.

The manual unions were to submit a claim in the next few months. Some shop stewards have suggested they might seek a shorter working week rather than higher basic pay.

Mark Meredith on problems in the white goods sector

Hoover faces hard times

THE PROSPECTS for the white goods industry in Britain are looking decidedly grey. Hoover in particular faces difficult times for jobs and investment.

Competition is fierce and too many other companies in Europe are making Hoover's main products — washing machines and vacuum cleaners. Cheaper imports are hurting, fewer people in Britain are buying because of harder times and Hoover is losing money — about £6m in the first half of the year.

To improve sales, Hoover has just launched a "try-anything trade-in" with saturation advertising tempting buyers with price reductions.

Hoover says it has about 35 per cent of the washing machine market, about the same as its rival Hotpoint. The vacuum cleaner market is another story. Hoover claims about 40 per cent and a loss of about 5 per cent over the year.

Mr Peter Goode, who took over as managing director of Hoover last month, has taken a no-nonsense approach to improvements and ordered a fast return to profitability.

Some painful options suggested by management consultants A. T. Kearney have now been set before the company's 9,000 staff. Hoover insists the report is a discussion document but by the end of the year management may have to close a factory.

At Cambuslang, near Glasgow, 2,000 staff produce big upright vacuum cleaners, small cylinder vacuum cleaners, electric motors for washing machines, ketles and irons. At Perivale, West London, 1,500 staff produce upright vacuum cleaners, including the popular Hoover Junior.

A third plant, at Merthyr Tydfil in Wales, houses the company's laundry production, turning out washin gmachines and tumble dryers. It has a staff of 3,500.

The Wales factory has already shed 300 jobs and is looking for 200 more.

Hoover's options include shutting Cambuslang and shifting work to Perivale, shutting Perivale and shifting work to Cambuslang, or shutting both factories to open a custom-built plant elsewhere. Merthyr Tydfil is not included in these options for closure.

What is worrying the unions at the moment is a severe set of proposals from management to all staff as part of the package to restore profitability. These include:

- a 10 per cent wage cut from January for all staff including management;
- a reduction in manning levels;
- no wage increases until the company returns to profitability;
- longer wage agreements running for 30 months instead of the present 12;
- reducing the number of shop stewards conducting pay talks.

For staff who have been working on short time for a year, these demands are hard to take. "We've a gun to our heads," said Mr Eddie McAvoy, the works convenor at Cambuslang.

The threat to close Cambuslang has already become a political issue in Scotland. It could mean the biggest blow to unemployment in the Glasgow area since Talbot shut down its Linwood works with the loss of 4,000 jobs.

There have been calls for the Scottish Office to help find ways of easing the company's financial burdens in Scotland.

Cambuslang makes one of the products hit hard by imports: small cylinder vacuum cleaners. Imports from East Germany and Czechoslovakia are selling for about half as much in the shops, which has hurt Hoover's sales.

Imports of vacuum cleaners generally have shot up from 285,000 in 1977 to 760,000 last year. For British producers, this is an uncomfortable amount in a market which for the past few years has remained fairly constant, with about 2m cleaners sold annually.

The Association of Manufacturers of Domestic Electric Appliances has compiled figures for a potential anti-dumping suit against the eastern Europeans through the EEC.

But little can be done to stem the import of washing machines from Italy.

Mr Richard Ford, marketing director of Curry's and one of the big multiples selling Hoover products, said: "I don't buy the dumping line. I think Zanussi just analysed the market better."

Other retailers criticise Hoover for not producing a greater range of washing machines to suit different family budgets.

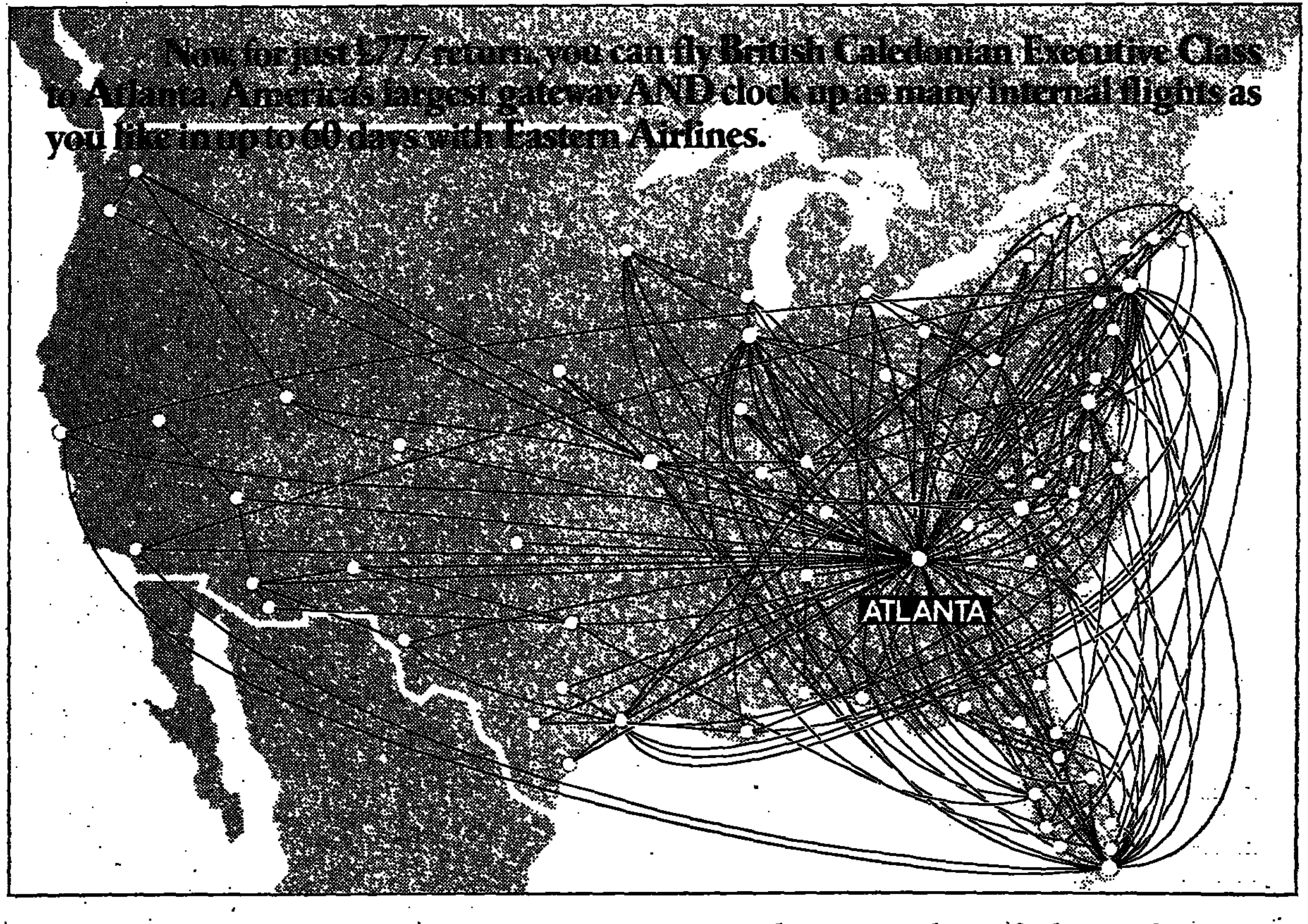
One of the problems British producers face is the highly developed distribution system inside the UK, unparlleled anywhere else in Europe. This means a producer of washing machines or vacuum cleaners can market his goods throughout the country by contacting one or two of the big retailing outlets.

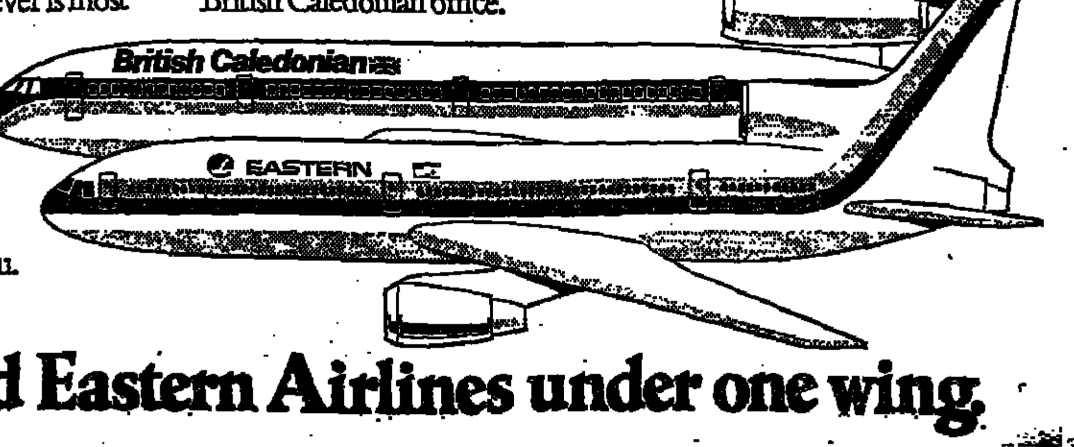
These retailers report that they are not counting on white goods to make profits this year. Electrical appliance shops today count more on video sales or television rentals to improve their figures.

Hoover has also come under fire from department stores for not leaving sufficient margins for retailers to make profits. The latest sales drive by Hoover will not help ease this criticism.

● **Robin Reeves writes:** Hoover's proposal for a 10 per cent wage reduction, as part of a radical "survival plan," was rejected by a shop stewards' meeting at the Merthyr Tydfil plant yesterday.

Pay levels there are reported to be running at 20 per cent below normal already, as a result of months of short-time working. The new retrenchment package was presented to union leaders last week.





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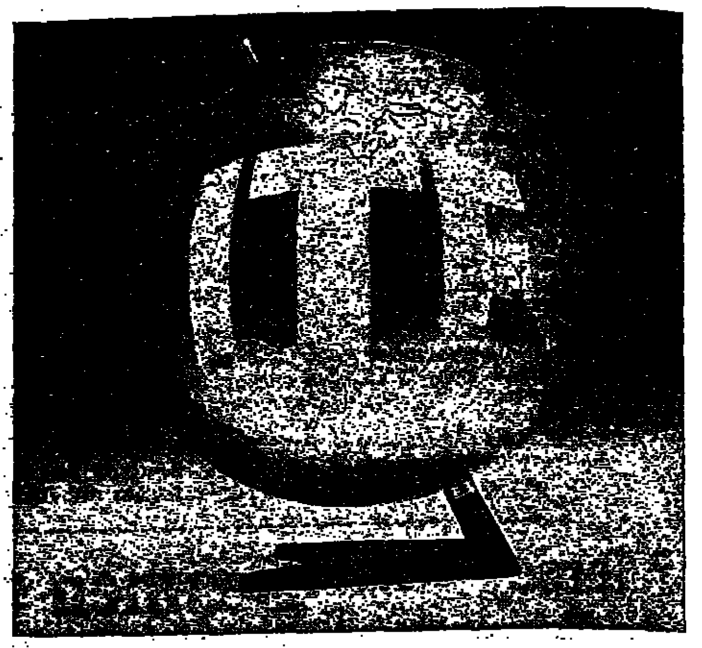

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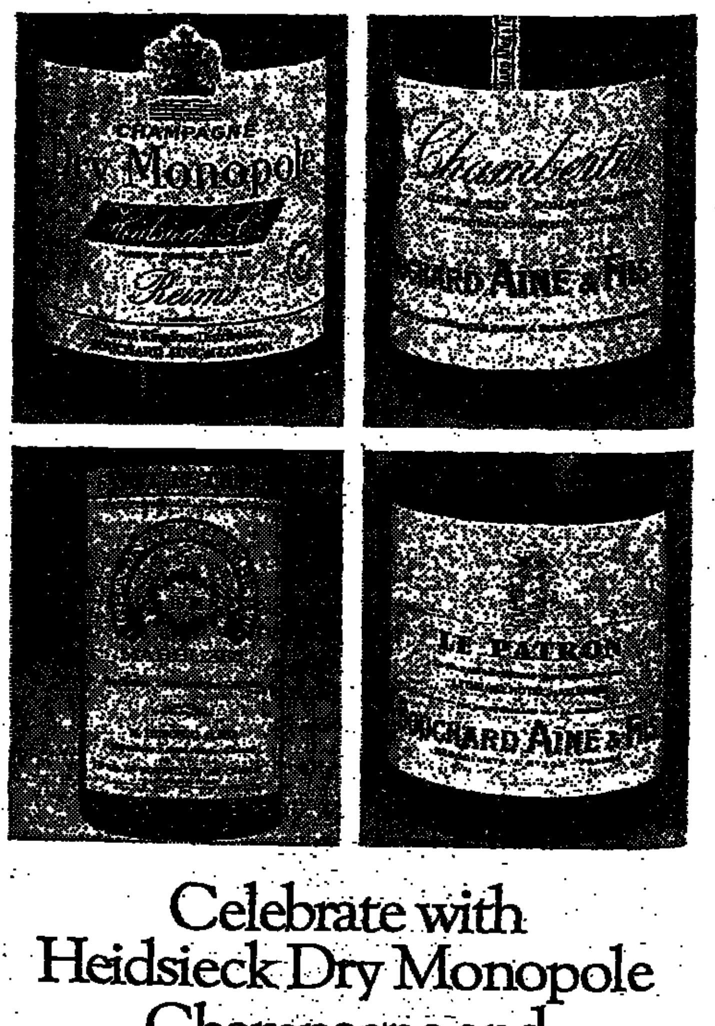

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TECHNOLOGY

EDITED BY ALAN CANE

Intel takes a 10% change of direction to silicon services

LOUISE KEHOE describes the reasons for Intel's decision to turn as much as 10 per cent of its *production capacity* over *to a new venture into* silicon foundry services.

INTEL, the fourth biggest U.S. manufacturer of integrated circuits, with annual sales approaching $800m is to turn as much as 10 per cent of its production capacity over to a new *venture into "silicon foundry"* services. The silicon foundry will provide manufacturing *services to customers who* design their own integrated circuits.

Intel expects the new operation to have sales of $100m a year within a couple of years. The company believes that the U.S. market for silicon foundry services is already worth $135m and will grow to $680m by 1985. The rapid expansion of the silicon foundry market reflects the growing needs of large computer and telecommunications equipment manufacturers who want to build systems that *offer exclusive features.*

To do this they need non-standard electronic devices—*ones that cannot be purchased* or copied by their competitors. Some of the largest systems *manufacturers have acquired* their own chip manufacturing facilities to make these parts, but with the cost of setting up a semi-conductor manufacturing plant approaching *$100m,* silicon foundries offer an attractive alternative.

Intel's move into the *silicon* foundry business to make "custom" chips marks a *dramatic departure from* the company's previous policy of sticking almost exclusively to *high* profit, innovative device products. With that business now under increasing threat from Japanese competitors, Intel is switching towards a market in which close customer supplier relationships are crucial, one which is largely immune to foreign competition.

Many of Intel's U.S. competitors including Motorola and National Semiconductor have already opened their doors to *silicon* foundry *business,* although less publicly. Intel's announcement of its new opera*tion will however serve to* endorse the new business, and could even expand the market, *industry experts say.*

Some observers suggest that the downturn in the U.S. economy, which has its effect upon the semi-conductor market, has prompted semi-conductor makers to accept *foundry* business as a means of keeping production lines busy. Many of *the companies that* are presently "filling in" with foundry business will turn it away when the economy turns up, analysts predict.

Intel, however, claims that this is not their strategy. "We have wanted to do this for a long time," said Robert Noyce, company vice-chairman. "But the industry was *in* a capacity situation that made it impossible to withdraw capacity."

In the past two years, Intel has tripled its production capability by building new *plants and increasing the yield* of good chips made out of each silicon wafer. "Now we are *ahead of the power curve on* capacity," said Noyce. "We are now reserving capacity for silicon foundry, and we will continue to do so."

One advantage for the semiconductor manufacturer that silicon foundry offers is that it shifts design and development costs and risks to the customer. For today's highly complex chips this is a very significant investment. Another factor that has been instrumental in changing the attitude towards who designs the circuits is a new *"design methodology" for* very large-scale integrated circuits which have evolved in the U.S. This approach allows systems designers to draw up integrated circuit layouts without having too much concern for the details of the circuits.

Much of the detail of VLSI design is handled by computer aided design tools. As part of its silicon foundry service, Intel will allow customers access to the inhouse developed computer programmes that its own designers use to build new chips, microprocessors and memories.

Intel is able to offer customers some of the most advanced semi-conductor processes available today, and in multiple locations so that the customer is always assured of supply.

DR. ROBERT NOYCE, Intel Vice-Chairman: We are now reserving capacity for silicon foundry and will continue to do so.

Mitsubishi temperature technique

A TECHNIQUE for the measurement of temperature in the proximity of high electric power fields (which may affect *the accuracy of electrically*-based measurements) has been developed by Mitsubishi Cor*poration using fibre optics and* temperature sensitive semiconductors.

One of the sensors developed makes use of a gallium arsenide window only 150 microns thick sandwiched between the two ends of an input and an output optical fibre.

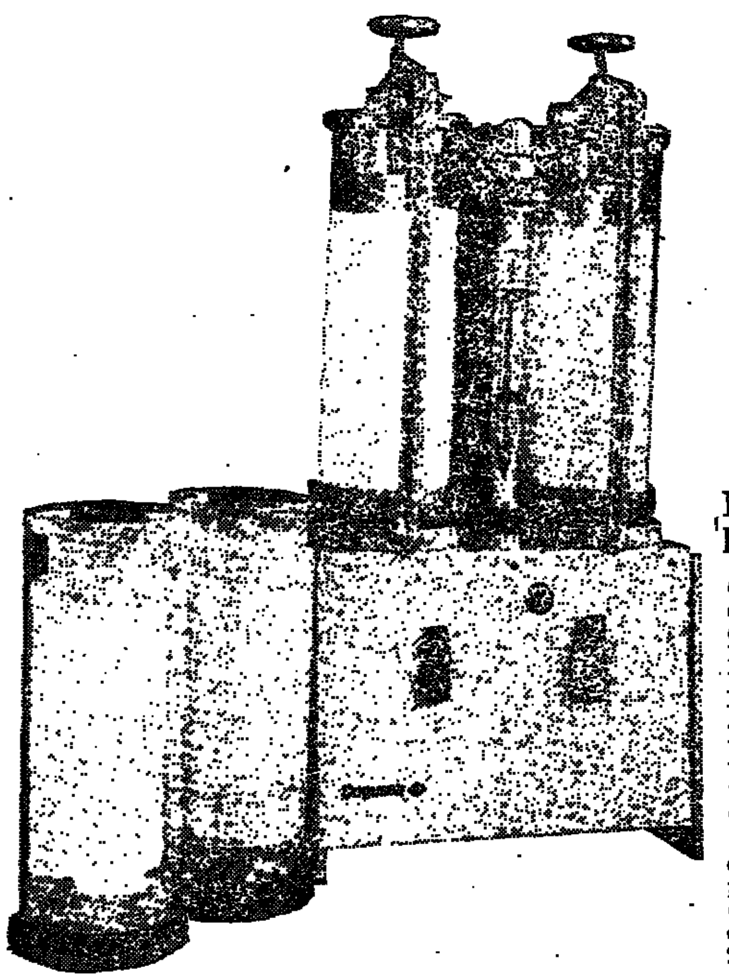
The input fibre is connected to a dual wavelength source where one of the wavelengths *is such that it passes through* the window without attenuation

The other generated wave*length however, is attenuated by* the semiconductor according to the temperature. This is because the absorption band, almost coincident with the second wavelength, shifts with temperature, changing the amount of light allowed through.

More from Don Iguchi or Yoshito Nakamura at the project co-ordination department, Mitsubishi Corporation, 6-3 Marunouchi 2-chome, Chiyoda-ku, Tokyo.

..POINTERS..

Exchanger for gold recovery



DEGUSSA of Frankfurt has introduced this two column table apparatus, designated "Metallosorb Kombi" to help small- and medium-sized precious metal electroplating shops to recover gold and *palladium* by the use of exchanger resins directly from the rinsing water. *Degussa says that if the resins* in the two columns are replaced by plate, multiple tube or *activated* charcoal filters it is also possible to carry out filtering with the unit. Degussa is *Postfach 26 44.* D 6000 Frankfurt 1. Tel. (06 11 218 28 60) or telex: 41 222-0 *d g d.*

Norway's latest

ONE of three new Norwegian coastguard vessels was at home on the Thames last week. The *Nordkapp was in London for* the fitting of its Westland Sea Lynx helicopter, but the skipper *and 50 crew took the oppor*tunity to pipe aboard contractors, Press and the Royal Navy *to look at Norway's latest* bit of technology.

This good looking ship with a displacement of *3,200* tons, a patrol speed of 15 knots and a cruising range of 7,500 miles carries one 57 mm Bofors *gun,* 20 mm anti-aircraft guns and a rack for six depth charges.

Norway's Navy Material Command says that despite the armament it is not a warship, but could be used as such in the event of an emergency.

Basically, it has been designed *to cover an area of about a* million square kilometres from the North Sea to the Barents Sea *to enforce Norwegian authority* on fishery and environmental protection and rescue services.

Details about the builders and suppliers are available from the Export Council of Norway, 20, Pall Mall, London, 01-839 6261.

Improved reception

WHEN RADIO London on VHF moves from Wrotham, Kent, to Crystal Palace in London the new aerial installation will improve reception of the signals in cars.

The problem has been that the electromagnetic polarisation of the transmissions was chosen *to be horizontal* some years ago, before it became customary to include VHF bands on car *radios. Thus, all* VHF aerials on rooftops have their elements lying in the horizontal plane.

Unfortunately, most car aerials are vertical in order to obtain the height for adequate signal pick up, *thus placing* them at right angles to the polarisation and defeating the *object. Curved aerials are some*thing of a compromise.

In the aerial to be supplied *to the BBC by* CSA (C and S Antennas) of Rochester, skeleton slot radiators will be used over a reflecting screen of horizontal and vertical bars and the slots will be inclined so as to provide both vertical and horizontal polarisation elements in the transmission.

Twin seal hydroplug

CHALWYN Equipment of Poole, Dorset (0202 741200) says that its newly developed twin seal hydroplug should interest companies involved in the maintenance of pipework in *chemical* and petroleum refinery installations.

The company claims that with *the incorporation of two seals* the unit, used for hydrostatic testing of welds after replacement of a weld neck flange has an advantage in that only a short length of pipework, adjacent to the weld, is subjected to the test pressure (mac 690 bar). More from Chalwyn 0202 741200.

STL flat display unit

A FLAT display unit only 36 mm square and a few millimetres thick having 1,600 picture *elements has* been developed by Standard Telecommunications Laboratories (STL) of Harlow, the *UK Research* centre of ITT.

The company believes that the device *will,* when developed to the production stage, find application in many kinds of *portable equipment* and in aircraft/vehicle instrumentation systems.

Very little power is required to energise the unit, which is capable of displaying, for example, a full Prestel page together with diagrams and graphics.

Work is already under way on a higher-definition *version* with 57,600 pixels and a dimension of 69 mm.

The display technology used is dye phase-change liquid crystal and built as a back-plane to the display areas is a single wafer silicon integrated circuit in which all the addressing is carried out. Driving and decoding circuitry is also incorporated in the wafer.

STL claims: "It opens the way to complex miniature displays with contrast and legibility approaching that of print on paper."

Sensor light switch to save energy

A SENSOR controlled light switch which can hear if a room *is occupied* and see if the daylight has dropped below a certain level, switching the *room* lighting on and off as necessary, has been introduced by Allen-Martin Electronics of Wolverhampton (0902 58942).

Cheshire County Council, first users of the device, has *recorded* a 15 per cent energy saving.

When daylight levels are low only sound in the room will trigger the switch, via a microphone that discriminates against spurious external noises. If no sounds are heard during a set period (which is adjustable), the lights go off. If daylight is adequate (the sensor level is adjustable) then the audio switch is inhibited and the lights cannot come on. Overriding manual control is provided.

Known as the ALSI, the unit directly replaces and is easily installed as a conventional wall switch, fitting a standard dual-switch. Up to 2 kW *of* fluorescent lighting can be switched. It is intended for institutional, *rather than* domestic, use, when reasonable sound levels could be expected in most rooms.

Kalle facsimile digital machine

ALTHOUGH THE latest high speed "Group 3" digital fascimile machine from Kalle Infotec will retail for £8,750—perhaps twice as much as the slower Group 2 machines—the company claims that the difference will be paid for by reduced line charges, even if *only half* a dozen A4 documents a day are sent to Europe, let alone the *U.S.*

The company points out that telephone-line charges are tend*ing upwards* while microprocessor-based hardware is getting cheaper, making deployment of the faster, more expensive machines an increasingly viable proposition.

Kalle Infotec, part of the Hoechst chemicals giant, is already in a good market position in the UK with 1,250 earlier machines installed. It markets systems made by Ricoh in Japan; these are also sold by Rapicom in the U.S. and to date 25,000 digital units have been placed worldwide.

The importance of the latest model, the 6003, is that it transmits to the recently laid down CCITT Group 3 standards for facsimile, now mandatory.

Upgrade

Applications are most likely to arise in international companies with significant traffic to Europe, Africa, the U.S. and *similarly remote places par*ticularly where document graphics content prevents the use of *telex or other character* methods.

Working at 4,800 bytes/sec over a standard *phone line,* Group 3 digital machines will typically transmit an A4 page *in one minute or less.*

So far, the facsimile market has been somewhat slow to get *off the ground* in the UK in comparison with the U.S. and Japan. However, the recent *setting of standards* means that increasingly, a machine in company A will be able to transmit to a machine in company B—which is not often the case at present.

Those who already possess a Kalle Infotec model 6000 will be able to upgrade their machines to Group 3 CCITT working with the purchase and retrofit of a £2,400 package.

GEOFFREY CHARLISH

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Britain: the new U.S. tax haven

BY CARLA RAPOPORT

AN AMERICAN love affair with Britain is about to start all over again, no thanks this time to the Royal family, the Rolling Stones or the strengthening dollar. Instead it is due to President Reagan's recently approved tax code which dispenses with the punishing tax system now in effect for Americans working abroad. In its place are a few rules which will re-establish Britain as a tax haven for American expatriates.

Under the new system, Americans working abroad will be able to exclude $75,000 of their income next year from U.S. taxes and by 1986, the figure will reach $9,000. This means that more than 90 per cent of Americans living abroad will pay nothing at home next year and will only be liable to the tax man in their host country.

Compared with its European neighbours, Britain is a terrific host. According to UK tax law, *foreigners* working for foreign-based companies need only pay tax on 50 per cent of their *income*.

This tax holiday hasn't meant much to Americans for the *past five years*. Starting in 1976, American expatriates were required to carry the full U.S. tax burden, although various complex deductions were allowed, along with credits for foreign tax. In effect, however, Americans paid just as much tax, and often more, than they would have paid back home. Companies usually provided tax equalisation plans, but this *meant* the employer was stuck paying taxes on the taxes paid for each employee.

"As of the new year, there will clearly be no better place than the UK for Americans to *set up*," says Saul Epstein, who is in charge of U.S. tax in the UK for Arthur Young *McClelland* Moores, the large firm of accountants. So far, though, there haven't been *reports* of large *numbers of* Americans lining up outside the British consulates in the U.S.

The *tax* changes are a result of ardent lobbying by American companies with interests *abroad. These groups* claimed the tough tax laws discouraged the transfer of Americans *abroad and thus hurt America's* export potential. They also complained that the punishing *tax liability made U.S. bids for* contracts uncompetitive, especially in the Middle East.

The new laws will save American companies millions of dollars. A Touche Ross executive *in* New York estimated that the practice of "grossing up" (paying various allowances for an employee and the income tax burden) could mean spending up to $250,000 to maintain a $60,000-a-year employee overseas.

According to Chase Econometrics, the economic forecast*ing subsidiary of* Chase Manhattan Bank, the number of highly-skilled expatriate Americans in *professions* like construction, architecture and design had declined by 50 per *cent since* 1979. *Overall, the* General Accounting Office in Washington reckoned that the *American workforce abroad* had shrunk by 21 per cent by 1981, compared with 1978.

While the new laws should propel *more* Americans *overseas*, the U.S. Treasury estimates that its potential loss in *revenue will be $300m* next year and $700m by 1986 when the allowable excluded income *will reach $95,000.*

As the U.S. abandons its role as an overseas tax collector, *UK* accountants are now expecting a renewed interest in UK tax avoidance by American expatriates. "The energy expended on paying the least amount of tax to Washington will now be applied to keeping the UK tax bill low," explained one UK accountant.

A fairly common avoidance method before U.S. taxes went up in 1976 was the split contract. Under *this* system, American companies dished out contracts which stated that part of the *employee's* time be spent in other countries, thus freeing him from UK taxes during those periods. In some cases, the off-shore income was paid into a separate account *for the employee.*

"There's nothing magical or naughty about it," says Maurice Thompsett, a partner in the UK of accountants Touche Ross. Split contracts will be one way to reduce UK tax liability for Americans, he says.

While it is possible that the Inland Revenue may try to tighten up the tax laws for expatriates, at the moment "there is no way we can oppose *a form of* contract between employees and employers," according to a Revenue official.

The UK tax *holiday* only last for nine years, however. After that, expatriates are *liable for the full brunt of the* UK tax laws. But nine years is surely long enough for any *romance to flourish.*

Where Americans will pay less taxes*...

- Bahamas
- Bahrain
- Cayman Islands
- BRITAIN
- *Hong Kong*
- Kuwait
- Oman
- *Saudi Arabia*
- Venezuela

... and where they will pay more

- Austria
- Belgium
- Canada
- France
- Finland
- Italy
- Japan
- Mexico
- Norway
- Singapore
- Sweden
- Switzerland
- *West Germany*

*Based on top U.S. tax rate of 50 per cent.

The improved circumstances of one lucky man

PAUL LUBENS works *for the UK office of American* Whoa Limited and earns $100,000. This year, the U.S. *Government* will allow him a housing deduction of $7,000 and a package of other deductions *including school* fees for Paul Jr and a trip home for the family which will total *$15,000. His U.S. taxable* income is therefore $78,000. His UK *tax bill*, based on his full salary, *is* about $18,000 (half, remember, of that paid by his British colleague who sits next to him and earns the same money. Lubens is also eligible for UK tax relief *on a mortgage if he decides to* buy a house). The UK tax is credited towards his U.S. tax bill. Lubens pays *an accountant* anywhere between $500 and $1,000 to figure out how *much* he *owes* Washington and file his American tax forms. The accountant *informs him that he still owes* $11,398, for a total tax bill of $29,398.

Next year, *Lubens* will still be earning $1,000,000 but he has spurned a better offer *from his UK-based* competitor and here's why. His new housing allowance is now *$13,941. He gets no deductions*, but $75,000 of his income is now excluded from *tax. The amount remaining*, $11,059, will be taxed in the lowest tax bracket, as will any investment income that might arise in future years. For 1982, Lubens's total U.S. *tax bill is $1,022.* Assuming UK taxes don't go up, his UK tax bite will again be about *$18,000 for a total tax* bill of $19,022 or a saving of about $10,000.

Mr and Mrs Lubens are now shopping for a new car.

What a frustrated banker did with an offer he couldn't refuse

A millionaire gave Andrew Deacon a fortune to become an industrialist. Arnold Kransdorff reports

Profile

WHEN, at the age of 18, Andrew Deacon joined Price *Waterhouse's Birmingham* office as an articled clerk, he never dreamt that one day he would be *offered* £780,000 to start *his* own business.

He had always wanted to be *his own boss* but, in common with many other ambitious youngsters with limited *resources, he could not see how* he was going to break out of the employee mould.

The only thing he could do, he reasoned, was to get as much experience as possible and leave the rest to fate. Today, 15 years later, he heads a large group making machinery for the plastics industry.

Back in Birmingham he qualified as a chartered accountant after five years and transferred to Price Water*house's London office. One year* later—in 1972 and at the age of 24—he joined the corporate *advisory division of* County Bank, the merchant banking subsidiary of National Westminster Bank.

It was there that, a year later, he met his future benefactor—an ambitious businessman named Phil Harris, the millionaire head of what is now the Harris Queensway chain of carpet and furniture retail outlets. In those days *Harris* was just selling carpets albeit as one of the largest retailers *in the UK, and his links with* County Bank were tenuous—and hesitant.

Deacon *recalls* that Harris "distrusted merchant bankers," an attitude that he says he helped to dispel when Queensway Discount Warehouses came up for sale in 1977. As an *assistant* director of County Bank he was given the responsibility of arranging a deal for Harris.

"It was a very difficult deal but I managed to persuade County to come up with the money—£2m of it—as a straight loan. Phil Harris thought perhaps the *City* wasn't as daft as he thought it was and we developed a close relationship. He found me approachable."

From then on their friendship went from strength to strength as Harris continued his drive for growth. First, there was the acquisition of the J. Ross carpet chain in Scotland, which was followed by the abortive bid to buy Timberland and the successful acquisition of Hardy and Co. (Furnishers).

In between Deacon handled the highly successful offer-for-sale of Harris Queensway, which put £6m into the Harris family pocket. Today his shareholding is worth over £20m.

"After Timberland I felt that I wanted to move," says Deacon. "Although I loved the people I worked with I wasn't sure I could spend the rest of my life in the City. As an employee I had no self-determination and fundamentally I wanted to make my own mark.

"I knew I wasn't a very good employee but that I made quite a good leader. So I started to look for a way out—but what *do you do? I wasn't exactly* unsuccessful. By then I was a director of County Bank—*one of the youngest in the City*—with a bloody good salary, membership of BUPA, a car and a pension. But all *this* wasn't enough for me and I was quite unhappy."

Then, out of the blue, his chance came, via a telephone call from Hugh Sykes, Harris's *non-executive deputy chairman*, who said: "Phil hears that you want to do something on your own. He would be interested in being part of it."

Deacon recalls: "At that moment my life changed. Phil is an incredible man. I said to *him I didn't know why he was* doing it, but I took the opportunity, of course. There was nothing in writing when I left County Bank but we soon put a deal together."

To *Deacon*, a man with no direct industrial experience, the offer was a godsend—and beyond anything he could ever have hoped for, especially from a tough businessman.

Amazingly, Harris let him have £780,000 *in the form of* an unsecured interest-free loan. In addition he put up £75,000 equity in a *new company*—equal to an amount Deacon was able to raise through borrowings *and a second mortgage*—and persuaded Sykes to put up another £50,000 — through *Bamford Hall*, a company he controls.

This gave Deacon and Harris *almost 38 per cent* each and Sykes slightly more than 24 per cent in the new company—called *Deacon Industrial Group.*

All the while Deacon had been casting around for potential *ideas*—and almost immediately stumbled across a plastics machinery business.

"I was looking for an engineering company *that was* making a product. A Luton-based company called Betol *came to my attention through* County Bank's merger advisory service. It made plastic *extrusion systems.*

Phil Harris — carpet salesman turned venture capitalist — with Andrew Deacon (insert) whom he is backing to the tune of £0.78m interest-free

"I took a close look at the sector and felt that plastics, in spite of having reached its 'mature' stage in the industrial *cycle*, had a long-term future. The Germans dominated the expensive end of the market, the Italians the cheaper side, while in the UK the *sector was fragmented.*

"What attracted me to Betol *was that it had cash* in the bank —£200,000—and no unions. I bought it for £800,000 in May *1979*."

Nightmare

In the next eight months with the help of bank borrowings, he also bought Latymer (G.T.) Products, a small manufacturer of plastic blow moulding machinery, for £25,000 and M. L. Shelley and Partners, a leading manufacturer of plastic thermoforming machinery, for £540,000.

In the midst of all this expansion, he went through what he describes as "a nightmare."

In 1979, when he left County Bank, trading conditions were *encouraging.* "Industrial *production* was at a peak and MLR was 12 per cent. In less than *six months industrial production* had started to slump and MLR was 17 per cent. The home *market for Betol and Shelley* just melted away. However good I was, those conditions could have ended my career before it began. I was near to having a nervous breakdown."

So it was with some surprise, says Deacon, that he discovered towards the end of the year that Betol and Shelley were, in fact, doing rather well—thanks to exports. Shelley, until then not export-orientated, had begun to receive considerable overseas inquiries; within three months *of acquisition, for instance*, it had secured a £350,000 order from Saudi Arabia for *machinery to make plastic egg*-boxes, as well as a valuable Nigerian contract.

With exports jumping to around 60 per cent of total sales of £1.5m, group profits were a *respectable £273,000 in the first* year of operation to May, 1980.

Since then exports have held up in spite of largely *unfavourable* currency movements and Deacon—*having* recovered his *nerve—is confidently forecasting* almost doubled profits in the current year.

Accepting that the home market is unlikely to see any growth for some time, his strategy is to continue *his acquisition spree* in plastics machinery—but to aim at two specific areas. One *is UK companies* which have either a high overseas exposure or the potential of substantial *exports. To this end* he has just acquired Austin Allen, a leading manufacturer of injection moulding machines, for £205,000.

The other plan—and perhaps the more important—has been to acquire a manufacturing base in the U.S., the biggest plastics market in the world. "The best way out of the UK recession is to go multinational," he says.

To get there he has recently acquired all the stock and other assets of the plastics machinery *division* of a *New England* company, Beloit Corporation, in a $7m deal that has necessitated *a wider equity base for* the group and increased gearing.

After visiting the U.S., and *having decided on the target* company, Deacon started talking to County Bank and McLeod Russel, *a diversified international* trading company ("John Campbell, who runs it, is an old chum"), with a view to their injecting equity into the company.

In the event County Bank put in £300,000 and McLeod Russel *£600,000 for* a tenth and a fifth respectively of the enlarged equity. This reduces Deacon and Harris's share to roughly 26 per cent each and Syke's to 17 per cent.

To *facilitate the U.S. deal* County Bank has also lent Deacon £450,000 while another $2m has been borowed from a U.S. bank through an advantageous State-aided scheme to *purchase* Beloit's 70,000 sq ft factory and office building in Massachusetts. The balance is *due in deferred payments* to Beloit over 18 months.

Deacon is confident he has *done a good deal.* "*Beloit has a* year's production in stock and we took over an order book of $2m. *Its annual sales* last year were $10m. It also gives us a base to market our UK *machinery.*"

Uncertain

Although he has so far concentrated *on plastics machinery*, Deacon also believes that the manufacture of actual plastics *products offers exciting opportunities*—especially in oil-rich developing countries. He is *already planning to form a company* to make plastic medical tubing products in Mexico, *using* Betol extrusion machinery.

Long term he would like to go public. "*What I want to do is* put a company on the map that I have created. I want to *regard myself as a successful* industrialist."

Thanks to benevolent patrons, Andrew Deacon *has* the opportunity to do just that. All he has to do is to confirm their *judgment of him*—a task that will tax all his resources and which will require a steel nerve in today's uncertain climate.

LOMBARD

Why Reagan should raise taxes

BY DAVID LASCELLES IN NEW YORK

AS PRESIDENT Ronald Reagan casts about with growing urgency for cuts in federal *spending to balance his budget* in a way which will allay Wall Street's dark fears, there is at least one option which he appears to have dismissed but would be worth reconsidering: raising taxes.

That may seem an odd thing *to suggest only weeks after he* signed into law the huge tax cuts for which he campaigned so vigorously. But those were taxes on income. What he might consider are ways of taxing consumption.

Burden

This is a distasteful political option, of course, and it would probably take another 100 point drop in the Dow Jones Industrial Average before he would even contemplate it. But it would not be wholly inconsistent with the kind of free market approach that lies at the basis of his philosophy. Transferring the burden of taxation from income to consumption increases, in theory *at any rate, the individual's* ability to decide how he wants to spend the money he has earned. Mrs Thatcher felt quite comfortable cutting income tax and raising VAT even in the first flush of her administration, and heaven knows where her budget would be now if VAT was not at 15 per cent.

But surprisingly little of this option is heard in the U.S., a country that has virtually no tradition of federal taxation on *consumption, and where* VAT is still treated as an academic notion.

Suggested

One of the few people who *has advocated it in public is* Mr Milton Hudson, a senior economist at Morgan Guaranty Trust Company, the large New York bank. In testimony to the House Budget Committee a few days ago, he suggested that the Administration consider introducing a low-rate consumption tax which exempted food and other essentials so that it was not regressive. Such a tax, he said: "could be a powerful revenue-raiser, and would be entirely consistent, it seems to me, with the rationale underlying this year's reshaping of *tax statutes.*"

Mr Hudson was realistic enough to admit that his suggestion is not exactly going to make people dance for joy in the streets, particularly since one tax looks like any other to the general public, whatever its purpose. "But," he goes on, "given the size of the budget problem that exists, we may not be able to avoid actions to enlarge Treasury receipts."

U.S. sales taxes have traditionally been levied at a state or municipal level and they currently range anywhere between zero and 10 per cent. But if Mr Reagan is to consider this option, he would have to move fast.

It is already clear that his cutbacks in Federal subsidies *to local authorities will shortly* force a lot of them to raise sales taxes to balance their own budgets. This has already happened in New York where the sales tax is being raised by ¼ per cent to 8¼ per cent to help keep the city transport system alive.

Demand

A tax on consumption might also take the form of elimination of the right enjoyed by the American taxpayer to deduct interest on consumer loans from taxable income, a move that would make it more expensive to buy on credit. The justification for this would be even stronger than a sales tax *since it would tackle a number* of problems at once.

It would increase the real rate of interest, putting a check on demand which is partly responsible for the present high rate of inflation. It might also sharpen the edge of the Federal Reserve's monetary policy by improving the effectiveness of high interest rates—which so far seem to have had little or no effect on consumer borrowing.

Internationally it would be popular since it would align U.S. practice more closely with that of its major commercial partners who have argued that this tax concession helps keep U.S. interest rates high.

The Orwellian future—on television

FILM AND VIDEO

BY JOHN CHITTOCK

IN ONE important respect, George Orwell was wrong about 1984. There will not be one big brother watching the population, but a mass audience of television viewers increasingly in control of big brother (the programme controller).

Some of that mass audience were sweating it out in Berlin in the last week, looking at the products of 322 exhibitors at the International Funkausstellung (in English now known as the Audio and Video Fair).

Exhibitions are rarely the easiest of places for gleaning what's new, but they do give the expert observers a chance to gather some perspective on trends. For me, the emerging image is clear: television is on the threshold of a metamorphosis; not only because of video and the liberation of the viewer from programme controllers, but also because of the *multitude of technical developments* that will be filtering through to the consumer.

Hi-fi and stereo sound on television is one which almost dominated the Berlin show, during which West Germany also inaugurated TV broadcasting in stereo to coincide with the exhibition (but to begin with only a few programmes each month will be transmitted in stereo). Thus numerous exhibitors such as Grundig, Philips and Sony all had on display stereo TV receivers. These will help revive the TV industry now that colour has almost run its course.

Philips also exemplified a possible trend towards the modular TV set, where hi-fi amplifier, audio inputs, tuners, video-cassette recorder and loudspeakers are all separate units but designed to fit into single cabinets. This same modular approach marked the beginning of the explosion in domestic hi-fi over 20 years ago and it begins to look like history repeating itself.

Hi-fi is going to be very important in the video age because so much of the newly-created programming for video will be *aimed at music lovers* (at both ends of the spectrum). JVC believes in this enough to have made its VHD video disc player also double as a really high fidelity audio disc system (known as AHD), although the competing Philips Laser Vision system has such good stereo sound on its video discs some may wonder why a separate system is needed at all.

Yet Philips has developed a separate hi-fi audio player based on the same optical-laser *technology as its LaserVision* video disc. That has been known about for a long time (and demonstrated) but last week was my own first sampling of the so-called Compact Disc—actually on the Grundig stand. It is unquestionably superb, and with such clean background noise that the Grundig demonstrators found it difficult to know if the disc had started to play (until the sudden loud crash of an opening chord, in stereo, frightened all out of their uncertainty).

Grundig, Sony and others will be marketing the system within the next 18 months. It uses digital recording techniques; a one-hour disc is small enough to span only two and a half column widths of this article; and like the video disc it is insensitive to handling and wear.

JVC's audio disc is larger, like its 10-inch video disc, but unlike the Philips system one player is common to video and audio discs. Curiously, however, at a Berlin press demonstration of VHD, JVC failed to mention AHD. Why, I had asked Grundig, bother with a compact disc *for audio when LaserVision is* so excellent on hi-fi anyway? Because, Grundig said, everyone will find the smaller discs so convenient for audio—they will even go in the glove compartment of a car. But JVC's retort to my query was, who wants digital stereo in their car?

The two answers underline how marketing considerations are now taking precedence over technology. *Engineers can still* perform miracles, but two marketing people still cannot agree as to what exactly the public will buy.

For JVC, the engineers have come up with a technical breakthrough about which the marketing men at Thorn EMI and everyone else in the JVC camp must be jubilant. On their video disc system shown at Berlin, JVC played NTSC discs on PAL and SECAM machines and vice versa; the one disc can now serve players and TV sets operating on any of the three normally incompatible technical standards.

Theoretically this means that video disc production runs could be centred in one country to serve all three territories *(which are, approximately,* North America and the Far East for NTSC, PAL for Western Europe, and SECAM for French and Eastern European countries). The demonstration was convincing, with no loss of quality, although there is some minor problem over picture area when NTSC is played on PAL (a problem JVC claims will be overcome for domestic users).

It is difficult to get away from video even after yesterday's major survey on the subject in the Financial Times. Sony's West German company reported that sales of its Betamax video-cassette recorder now account for 30 per cent of turnover. But Germany is almost the spiritual home for the rival V2000 system which Philips and Grundig are pioneering; Grundig's latest has stereo sound and will later incorporate automatic track switching and reversing at the end of the cassette—so that the 2 x 4hr flip-over cassette will no longer have to be manually flipped over to provide the second four hours.

Portable video was another emerging trend at Berlin. Not just the ultimate development of the video camera with built-in micro-cassette recorder (Sony, Hitachi, Matsushita and Sanyo all have non-compatible prototypes); but in the short term, lightweight video recorders carried on a shoulder *sling, connected by cable to a* lightweight colour video camera.

There are various systems of this type about to be marketed. One philosophy is to make them compatible with the home videocassette recorder by using the same cassettes (but with shorter running time in more compact enclosures). JVC has such a system for VHS cassettes.

However, Grundig has broken ranks with the Philips V2000 system by adopting a non-compatible recorder for portable use based on the Japanese Funai system and using a small cassette of ¼-in video tape.

There were many *other* marvels of electronics to fascinate the exhibition gazer, such as Hitachi's pocket-size clock radio which will speak the time as well as displaying it; and Sanyo's colour graphic processor, which turns a TV set into a blank electronic canvas on which "paintings" can be made (and erased) using a light pen. But video will set the pace (as one German Sony executive put it "Video hasn't even started yet"), and hi-fi, stereo information systems, electronic games and toys will all relate to it and be governed by it.

It would be interesting to know what George Orwell would think of Berlin's Funkausstellung. One manufacturer, Metz, displayed a giant wall of 192 colour TV sets all *screening the* same picture to the diminutive passing public. No big brother watching; but television has become the great leveller—making all people equal (and those with hi-fi stereo TV more equal than others).

Eddery delays mount decision

RACING

BY DOMINIC WIGAN

NO JOCKEY can be looking forward to *next month's Prix* de l'Arc de Triomphe with quite the same relish or trepidation as Pat Eddery.

At Longchamps on Sunday, Vincent O'Brien's stable jockey had been expected to make a *decision after the Prix Foy on* whether he would ride Beldale Flutter or Detroit on October 4.

However, no announcement was forthcoming. It is easy to understand why. Not only is Beldale Flutter "better than ever," according to his astute handler, Michael Jarvis, but Detroit did all that was asked of her in landing the Prix Foy.

Although the Cashel handler has announced Storm Bird (syndicated for $30m to stand in the U.S.) as a probable Arc *runner—for which he has been* introduced in the betting at Ladbroke's top-priced at 20-1—I suspect that the colt will, after further consideration, be aimed at the Champion Stakes instead. However, if that does not prove *to be* the case, and Storm Bird tackles a trip likely to be beyond his optimum at Longchamps, Eddery will undoubtedly be held to his Cashel contract. That would leave the way clear for Steve Cauthen to partner Detroit.

With Lester Piggott and Yves St-Martin already spoken for, the search is surely on for a top jockey to take the plumb ride on Beldale Flutter who is down as short as 4-1 in one list.

YARMOUTH

3.15—Sandwalker**

3.45—Unbiased

4.45—Caribbean Blue

LINGFIELD

2.30—Eight Roses

3.00—Colonial Line

3.30—Santella Man***

4.00—Ball Hyatt

REDCAR

3.00—Pitter Pat

5.00—Go Metro*

Plan to raise Tudor wreck

REVISED plans for lifting the 436-year-old wreck of the Tudor warship Mary Rose from the Solent seabed are being made by experts.

The experts, called in by the Mary Rose Trust, now believe the warship's hull can be swung into a supporting cradle while still below the surface to avoid lifting the fragile structure into the air.

The project has been supported by Prince Charles.

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra High Frequency). 12.30 News After Noon. 12.57 Regional News for England (except London). 1.00 Pebble Mill at One. 1.45-2.00 Heads and Tails. 3.25 O Dro I Dro. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Puzzle Trail. 4.35 Play Away. 5.00 John Craven's Newsround. 5.10 Animal Magic. 5.35 Willo the Wisp.

5.40 News.
6.00 Regional News Magazines.
6.25 Nationwide.
6.50 Angels.
7.15 Wildlife On One.
7.40 Rockford Files
8.30 Only Fools and Horses. . .
9.00 News.
9.25 Angela Rippon Meets The Image-Makers.
10.15 Ian Botham.
11.05 Medical Express.
11.33 News Headlines.
11.35 The Fishing Race.

All Regions as BBC1 except as follows:

Cymru/Wales — 12.37-1.00 pm News of Wales. 5.10-5.35 Bobol Bach. 6.00-6.25 Wales Today. 6.50 Heddiw. 7.15 Angels. 7.40-8.30 Zulu Wilderness. 12.00 News and Weather for Wales.

Scotland — 12.54-1.00 pm The Scottish News. 6.00-6.25 Reporting Scotland. 12.00 News and Weather for Scotland.

Northern Ireland — 12.57-1.00 pm Northern Ireland News. 3.53-3.55 Northern Ireland News. 6.00-6.25 Scene Around Six. 12.00 News and Weather for Northern Ireland.

England — 6.00-6.25 pm Look East (Norwich); Look North (Leeds); Look North (Newcastle); Look North West (Manchester); Midlands Today (Birmingham); Nationwide (London and South East); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

10.20 Gharbar.
11.00-11.25 Play School.
2.50 pm Liberal Party Assembly from Llandudno.
4.50 *Open University.*
6.55 F.A.C.T.S. Football Association Coaching: Tactics Skills.
7.20 News Summary with subtitles.
7.25 My Music.
7.50 Six More English Towns.
†8.30 Burt Lancaster in "Run Silent, Run Deep."
10.00 Jack High.
10.30 Animation at Cambridge.
10.45 Newsnight and Liberal Assembly Report.
†11.40 Laurel and Hardy in "*Scram.*"

LONDON

9.30 am Some Australian Marsupials. 9.40 Friends of My Friends. 10.10 Hands. 10.35 The World We Live In. 11.00 Little House on the Prairie. 11.30 Cartoon Time. 12.00 Paperplay. 12.10 am Pipkins. 12.30 The Sullivans. 1.00 News plus FT Index. 1.20 Thames News. 1.30 About Britain. 2.00 Heartland. 3.00 Once in a Lifetime. 3.45 Cabbages and Kings. 4.15 Daffy Duck. 4.20 Get it Together. 4.45 The Extraordinary People Show. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames News.
6.35 Crossroads.
7.00 Give Us A Clue.
7.30 Keep It in the Family.
8.00 The Morecambe and Wise Show.
8.30 The Flame Trees of Thika.
9.30 Frankie Howerd Strikes Again.
10.00 News.
10.30 Snooker: Jameson International Open Championship.
12.00 Barney Miller.
12.25 am Close: "Sit Up and Listen" with Katharine Whitehorn.

All IBA Regions as London except at the following times:

ANGLIA

9.30 am Sesame Street. 10.30 Hands. 10.55 Cartoon Time. 11.05 The Adventures of Niko. 11.30 Portrait of a Village. 12.30 pm Gardening Today. 1.20 Anglia News. 6.00 About Anglia. 12.00 Anglia Late News. 12.05 am The *Jazz Series.* 12.35 *Themes.*

ATV

9.25 am European Folk Tales. 9.50 The Stationary Ark. 10.15 Family Hour. 1.00 Sesame Street. 12.30 pm Gardening Today. 1.20 ATV News. 5.15 Give Us a Clue. 6.00 ATV News. 6.05 *Crossroads.* 6.30 ATV *Today.* 7.00 Emmerdale Farm. 12.00 ATV News.

BORDER

9.30 am Sesame Street. 10.30 Sally and Jake. 10.45 Friends of Man. 11.10 Joe 90. 11.35 New Fred and Barney Show. 1.20 pm Border News. 5.15 Bless Me Father. 6.00 Lookaround Tuesday. 7.00 Emmerdale Farm. 12.00 Border News Summary.

CHANNEL

12.30 pm Gardening Today. 1.20 Channel Lunchtime News, What's On Where and Weather. 6.00 Channel Report. 10.28 Channel Late News. 12.00 Commentaires et Previsions Meteorologiques.

GRAMPIAN

9.40 am First Thing. 9.45 Wild, Wild World of Animals. 10.10 The World We Live In. 10.35 Sesame Street. 11.35 The Flying Kiwi. 12.30 pm Gardening Today. 1.20 North News. 6.00 North Tonight. 12.00 In Concert, featuring Mike Oldfield. 12.30 am North Headlines.

GRANADA

9.30 am Dick Tracy. 9.35 Target the Impossible. 10.00 Cartoon. 10.10 Children of the World. 10.35 Bailey's Bird. 11.00 Sesame Street. 1.20 pm Granada Reports. 3.45 The Spinners. 5.15 Mork and Mindy. 6.00 Granada Reports. 6.25 This is Your Right. 7.00 Emmerdale Farm. 12.00 The Odd Couple.

HTV

10.00 am Silver Needles. 10.25 "Beach Party," starring Bob Cummings, Dorothy Malone and Frankie Avalon. 12.30 pm Gardening Today. 1.20 HTV News. 5.15 Sylvester. 5.20 Crossroads. 6.00 Report West. 6.30 Into the Labyrinth. 7.00 Emmerdale Farm. 10.28 HTV News.

HTV Cymru/Wales—As HTV West except: 12.00-12.10 pm Cwadi Cwac A'i Ffrindiau. 4.15-4.45 Camigam. 6.00 Y Dydd. 6.15-6.30 Report Wales.

SCOTTISH

9.55 am The New Accelerators. †10.20 The Golden Oldies: "Holiday Camp," starring Jack Warner and Kathleen Harrison. 12.30 pm Gardening Today. 1.20 News Headlines and Road Report. 5.15 Traveller's Tales. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Job Spot. 6.30 What's Your Problem? 7.00 Bless Me Father. 12.00 Late Call.

SOUTHERN

9.35 am Horses in Harmony. 10.00 Young Ramsay. 10.50 Night Flight. 11.15 Stingray. 11.45 How. 1.20 pm Southern News. 5.15 Dick Tracy Cartoon. 5.20 *Crossroads.* 6.00 Day by Day. 7.00 Emmerdale Farm.

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 9.30 Comic Stories. 9.45 Tuesday Matinee: "The Seagull," starring James Mason. 1.20 pm North East News and Lookaround. 5.15 Bless Me, Father. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 North East News. 12.00 Anglican Consultative Council.

ULSTER

1.20 pm Lunchtime. 4.13 Ulster News. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.30 Bygones. 7.00 Emmerdale Farm. 10.29 Ulster Weather. 12.00 Beddime.

WESTWARD

9.40 am Untamed World. 10.05 George Hamilton IV. 10.30 Bailey's Bird. 10.55 Call It Macaroni. 11.15 Sally and Jake. 11.25 Out of Town. 11.55 Wattoo Wattoo. 12.27 pm Gus Honeybun's Birthdays. 12.30 Gardening Today. 1.20 Westward News Headlines. 6.00 Westward Diary. 7.00 Give Us a Clue. 10.32 Westward Late News. 12.00 Faith for Life. 12.05 am West Country Weather and Shipping Forecast.

YORKSHIRE

9.30 am Larry the Lamb. 9.40 Wild, Wild World of Animals. 10.05 The Beachcombers. 10.30 Black Beauty. 11.30 George Hamilton IV. 11.55 Wattoo Wattoo. 12.30 pm Cabbages and Kings. 1.20 Calendar News. 3.45 Calendar Tuesday. 5.15 Bless Me, Father. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm.

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 7.00 Steve Wright. 9.00 Simon Bates. 11.00 Andy Peebles. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.30 Dave Lee Travis. 4.30 Peter Powell. 7.00 Dave Lee Travis with Wheels. 8.00 Richard Skinner. 10.00-12.00 John Peel (S).

VHF Radios 1 and 2—5.00 am With Radio 2. 9.00 pm Marching and Waltzing (S). 9.55 *Sports Desk.* 10.00 With Radio 1. 12.00-5.00 am With Radio 2.

RADIO 2

5.00 am Steve Jones (S). 7.30 Terry Wogan (S). 10.08 Jimmy Young (S). 12.00 John Dunn (S). 2.00 Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News; Sport. 6.00 Don Durbridge with Much More Music (S). 8.00 Moments Musical (S). 9.00 Boxing Special from Wembley: Tony Sibson v Alan Minter. 10.00 The Arthur Askey Show. 11.00 Peter Clayton with Round Midnight. 1.00 am Truckers' Hour (S). 2.00-5.00 You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composer: Thomas Tallis (S). 9.45 Piano Duets (S). 10.20 Endellion String Quartet (S). 11.25 Ian Caddy song recital (S). 12.15 pm Lunchtime Prom, part 1 (S). 1.00 News. 1.05 Six Continents. 1.25 Lunchtime Prom, part 2 (S). 2.05 French Cello Sonatas (S). 2.50 The Younger Generation (S). 3.25 Alfred Brendel piano recital (S). 4.25 Jazz Today (S). 4.55 News. 5.00 Mainly for Pleasure (S). 7.00 Mr Blaser in Sicily (short story). 7.20 Debussy Songs (S). 8.00 Royal Philharmonic Orchestra from the Royal Festival Hall, part 1: Brahms, Beethoven (S). 9.00 Words, Words Words (S). 9.20 Royal Philharmonic Orchestra, part 2: Dvorak (S). 10.05 Music from India (S). 11.00 News. 11.05-11.15 Bruno Walter (S).

VHF Only—Open University: 5.55-6.55 am and 11.15 pm-12.55 am.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.45 Seven Graham Greene Short Stories. 9.00 *News.* 9.05 Tuesday Call (starting your own business). 10.00 News. 10.02 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Thirty-Minute Theatre. 11.35 Wildlife. 12.00 News. 12.02 pm You and Yours. 12.27 Radio Active (S). 12.55 Weather Programme News. 1.00 The World at One. 1.40 The Archers. 1.55 *Shipping Forecast.* 2.00 *News.* 2.02 Woman's Hour. 3.00 News. 3.02 The Red and the Black by Stendhal (S). 4.00 Places I've Lived, People I've Known. 4.15 Drink to Me Only. . . . 4.45 Wodehouse: "The Luck of the Bodkins." 5.00 PM: News Magazine. 5.50 Shipping Forecast. 5.55 Weather; Programme News. 6.00 News, including Financial Report. 6.30 Top of the Form. 7.00 News. 7.05 The Archers. 7.20 Medicine Now. 7.50 Mutiny at Invergordon (S). 8.35 Antony Hopkins Talking About Music (S). 9.05 In Touch. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Joke by Joke . . . by Michael Green (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Dvorak: String Quartet in F, Op. 96 "The American." 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.03 Morning Star. 10.03 The Robbie Vincent Telephone Programme. 12.30 pm London News Desk. 12.40 MMM . . . Maitland's Midday Music. 2.30 Tony Blackburn. 5.00 News. 5.15 Music on the Move. 6.33 Openings. 7.03 Black Londoners. 8.00 As Radio 1. 10.00-5.00 am Join Radio 2.

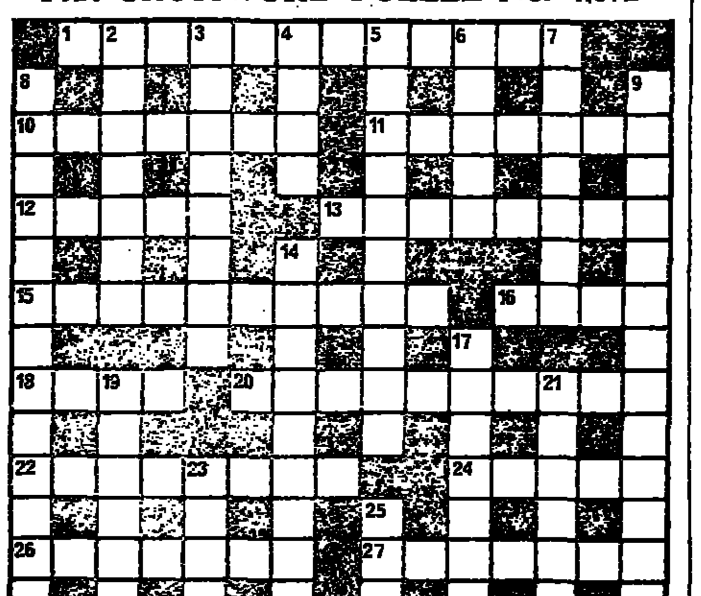
London Broadcasting

6.00 am AM—Bob Holness and Douglas Cameron. 10.00 Peter Allen. 12.00 LBC Reports. 7.00 pm London Life. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 4.00 A Question of Race. 5.00 Morning Music.

Capital Radio

7.00 am Mike Smith's Breakfast Show. 10.00 Michael Aspel. 12.30 pm Mike Allen. 1.00 First Report. 1.10 Mike Allen (continued). 3.00 Roger Scott. 6.30 London Tonight. 8.30 Nicky Horne (rock music). 10.30 John Sachs's Late Show. 12.00 Midnight *Special.*

F.T. CROSSWORD PUZZLE No. 4,672



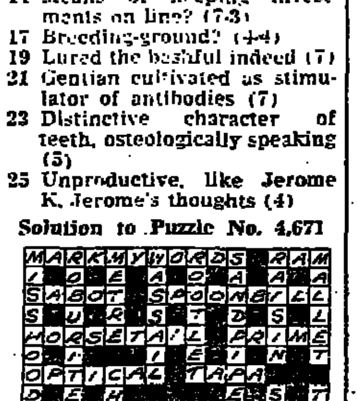
ACROSS

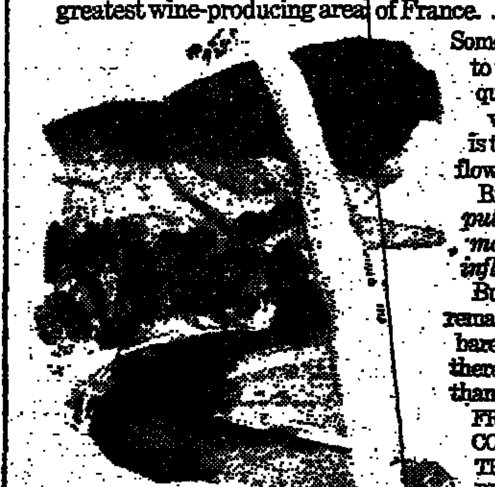
- 1 Sticky comestibles? (6-6)
- 10 Welsh craft Caradoc started—an infallible indication (7)
- 11 Sappers amorously over-free, cool! (7)
- 12 Playboy in capital circle (5)
- 13 Neat spanner of privileged educational systems . . . (8)
- 15 . . . getting no distinctions—Noël's hours dissipated (10)
- 16 Jaunty dance? (4)
- 18 Bird dead with nothing to follow it—you can say that again! (4)
- 20 Rocket, say, a martinet's ordered (5-5)
- 22 Makes bigger fuses (8)
- 24 *I'd tot differently*—it is the same in accounts (5)
- 26 Rossini's was fantastic for players (7)
- 27 Doctor should provide it (7)
- 28 Enter e.g., maids—contrary—all in a row (12)

DOWN

- 2 As Roman as a striker on the river? (7)
- 3 Figaro's role in general? (8)
- 4 Two kinds of earth-garden—(4)
- 5 Fitting lamp so X-ray is produced (10)
- 6 Inside limit? (5)
- 7 Slim, second one to ignore Polonius's advice (7)
- 8 *Policy for people retiring* from the land? (8, 5)
- 9 How much value is there in Weill's opera? (13)
- 14 Means of keeping investments on line? (7-3)
- 17 Breeding-ground? (4-4)
- 19 Lured the bashful indeed (7)
- 21 Gentian cultivated as stimulator of antibodies (7)
- 23 Distinctive character of teeth, osteologically speaking (5)
- 25 Unproductive, like Jerome K. Jerome's thoughts (4)

Solution to Puzzle No. 4,671





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THE ARTS

London galleries

Autumn delights

by WILLIAM PACKER

For the poor art critic it is September that really is the cruellest month, mixing the memory of all those well earned, well, all right, much needed days of idleness with not so much the desire for the return to the daily round, more a dutiful acceptance of the inevitable. And suddenly there it all is in a rush, 20 or more shows opening last week in London alone, almost as many to follow this week, some of the first importance and a most encouragingly high proportion of the others worthwhile to say the least. The week is just not long enough to see all of even the best of them.

But what can one do but plunge in? Once in the water is lovely. The good things are to be found as much in the centre of London as anywhere, but it happens that lately I have also been venturing somewhat further afield, into the nearer suburbs, and so for the moment such matters as Leslie Waddington's further colonisation of Cork Street, with an exhibition of recent paintings by Dubuffet to inaugurate his newest gallery (until October 3), or Stephen Buckley's work just down the road at Kasmin, or Jill and Bruce Lacey's extraordinary installation cum performance at ACME (only until September 19 and, sad to say, the gallery's swan song), must all wait upon another chance.

Even the show of modern British sculpture at Whitechapel, perhaps the most important current show of 20th century work, Picasso apart, must wait a while for its proper notice, for it is but part one of a double header, and I suspect that the insights it affords, and the questions it raises, must wait upon part two for their resolution. Which means that a trip to Whitechapel in the meantime is absolutely necessary for those of us with any interest in modern British Art. British Sculpture in the 20th Century is an extraordinarily ambitious undertaking, for the subject is as full of complexity as it is of surprises, at once obscure, idiosyncratic and of the highest international class. At the end of it all the organisers will have shown us examples of the work of more than 120 artists, and whether or not they have made sense of them remains to be seen.

Part one, I must say, is the happiest of auguries, sensibly ordered and full of beautiful and remarkable things. We are taken easily from late Victorian monuments and languid *fin de siecle classicism*, through art nouveau and the influence of Rodin, quickly into the Primitive, the Archaic and the Modern, and so into the Vortex and on to Abstraction and Surrealism and the Figuration of the forties, step by step.

There are many heros: Henry Moore we know about, but how good he looks set among his peers, and Barbara Hepworth, too, whose earliest work stands as fresh and radical as anything she, or any of her contemporaries for that matter, ever did. They are by no means alone; there are also Epstein, clearly a central figure, forceful and adventurous, and Eric Gill, and Henry Gaudier-Brzeska who was perhaps the most gifted of them all and certainly one of the greatest losses to art of World War One. Frank Dobson comes into the light, and Eric Kennington under his sculptor's hat, obscurer figures like Maurice Lambert, and unexpected ones like Gertrude Hermes with her aluminium moth.

Part one: Image and Form 1901-50, selected by Nicholas Serota and Sandy Nairne, and sponsored by British Petroleum and the Henry Moore Foundation, remains at Whitechapel until November 1, and should not be missed.

Across London, one to the north and one to the west, are exhibitions that bring us two senior and distinguished painters from remotest Cornwall; but there the similarity ends. The Penwith Peninsula beyond Penzance and St. Ives has notoriously been colonised by artists long since, but the better of them, even in the days when the St. Ives School was identifiably a major force, have always risen above any easy regimentation: Karl Weschke and Patrick Heron are nothing if not their own men.

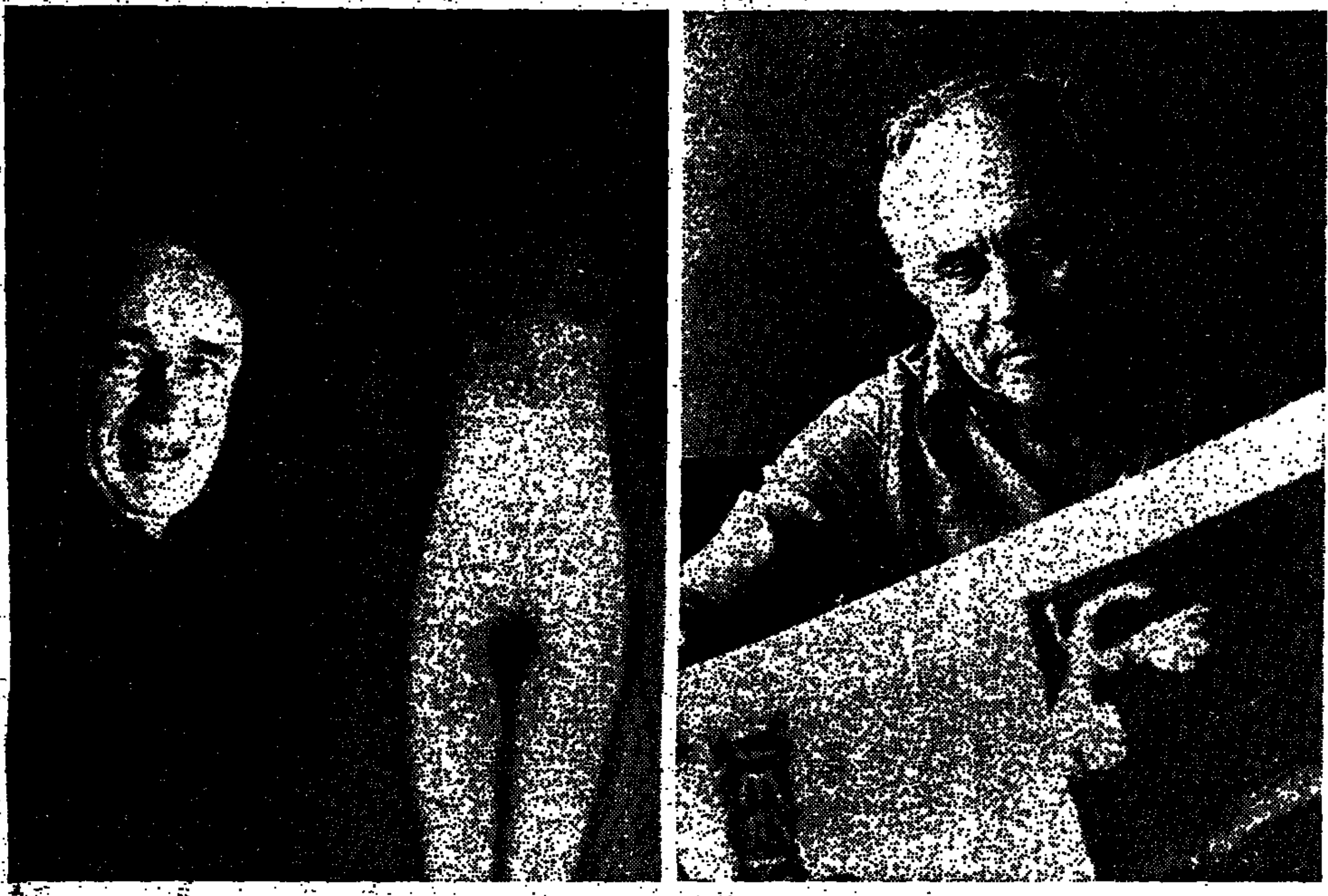
We for our part are nothing if not equivocal in our attitudes towards immigrants and aliens and refugees. Weschke, a German and a prisoner of war, has lived here since 1948; yet though his work has been included in several representative exhibitions of British art over the years, his remains a coterie rather than a general reputation—which is both unfair and wasteful.

He is a figurative expressionist, his work characteristically dark and lowering in tone, the colour, though rich in itself, severely constrained often almost to the condition of monochrome. He places his figures, so simply and vigorously stated, in a clear, empty, ambigious space, the female nude sprawling or stretching in a dark interior, his horses, riders, dogs, set up alone on a vast and empty beach, as it might be on the edge of the world. These are threatening, sinister and violent images, sometimes overtly so as the horse rears, the dog sneers and snarls towards us, or the women writhe suggestively in the darkness, together or alone. Even the calmer images are charged with a latent physicality, the sense of a storm about to break.

A small but typical selection of his work is now on show at Moira Kelly Fine Art (97, Essex Road, N1, until October 7) along with a number of drawings and related studies, altogether well worth the journey into the north.

Patrick Heron's work is to be seen at Riverside Studios (until October 4) where he is showing a few of the paintings that he showed at the University of Texas in 1978, where he was visiting lecturer. Heron is a self-declared colourist, concerned, as he cleverly puts it in the title to his Texas lectures, with "The Colour of Colour"; by which I take it he means the physical reality of colour, and the palpable experience it affords. And indeed, through the sophisticated interplay of complementaries and secondaries, the physical sensation of colour hums and flickers across the eye-balls.

But all this suggests a certain theoretical preoccupation, yet Heron is markedly reluctant to commit himself absolutely, with none of the rigid simplicity of Albers, for example, nor even the more delicate regularity of Rothko. Instead Matissean figures flutter across the large flat colour fields of his canvasses, the movement lateral rather than pictorial with everything locked into the jigsaw puzzle surface. Heron, who has been among the most atmospheric and suggestive of our abstract painters, has been in this corner for some time, and one cannot but wish that once again he would give his painterly intuition if not its head exactly, at least considerably more rein.



Karl Wesche and Patrick Heron

Wigmore Hall

Elizabeth Connell

Elizabeth Connell is such a familiar singer at Covent Garden and the Coliseum it was hard to believe that on Sunday at the Wigmore Hall saw her London debut as a solo recitalist. The moment has been delayed to good effect; Miss Connell emerged from her programme with an already considerable reputation further enhanced.

Her choice of songs ranged widely and through four languages, but it was in German songs and German texts that she was most impressive. Rossini's mini *scena*, the three songs of *La Regata Veneziana*, were used as a sparkling opening, to settle nerves and flex the vocal muscles, but they hardly prepared one for the *Wesendonck Lieder*, which Miss Connell patterned with the subtlest half-shades, and sustained the longest lines with unwavering tone. (She has recently returned from singing Ortrud and Brangaene at Bayreuth, and her Wagner had a stamp of authority.) A Wolf group of five songs chosen from both *Spanish* and *Italian Songbooks* as well as the Mörike settings was clearly planned to demonstrate every facet of the singer's rapidly developing craft—her ability to find an unexpected lightness of tone, a comic timing and a consistent feeling for the language.

In Duparc, however, the matching of voice and songs was less precise. "L'Invitation au Voyage" can be made to sound the most perfect song ever written, in the right performance, but Miss Connell missed something of its flexibility and suaveness, though each phrase was most carefully tended. She dealt better with the less sophisticated "Chanson Triste." De Falla's *Seven Popular Spanish Songs* completed the announced programme and the quartet of languages. Uncomplicated high spirits for the most part, though "Nana" provided a sweet oasis of repose, and the final "Polo" was a resounding release of all tension. The uneven pianist was Geoffrey Parsons.

ANDREW CLEMENTS

Book Review

The modest fiddler

by MICHAEL COVENEY

Topol by Topol. Weidenfeld and Nicolson, £8.50. 222 pages

The best thing to be said about Topol's autobiography is that it makes no great claims for itself. It is a modest, reasonably well written account of an Israeli actor's life. Progress to international renown happened to coincide with the birth of a nation.

Topol played Tevye the dairyman in *Fiddler on the Roof* in London in 1967. He has, of course, done lots of other things, made many films, met many people and ate a lot of food. But none of that is of any interest to us. Topol knows that, shrugging off pages and pages of completely tedious recollection with a beguiling charm. As a film actor he is, he admits, inevitably fourth choice for Jewish or Mediterranean character parts behind the late Zero Mostel, Alan Arkin and Peter Ustinov.

Fiddler made him a star and the film, directed by Norman Jewison, completed the process while destroying the musical. Topol has never repeated that success—the follow-up project, *The Baker's Wife* was a resounding flop — and his appearances at the Chichester Festival Theatre have done nothing to cement any sort of stage reputation.

There is nothing exceptional about Topol's life story, but he tells the tale pretty well. Brought up in the Florentine Quarter of Tel Aviv, he has vivid recall of the last days of the British Mandate and of his development as a non-Marxist socialist, *kibbutznik*, and popular entertainer. There is enough evidence here to suggest that Topol's gifts have *only* been exploited by *Fiddler*. He remains a key figure in Israeli culture thanks to his entertainment group Lahakat Hanahal and his famous appearance in *Sallah*. I would put heavy money on him being much more interesting in *Sallah* than as "the Greek" in *For Your Eyes Only*.

Topol's father was a plasterer, his mother a heroic cook with a sewing-machine in the corner. He flew home for the Six Days' War in the middle of *Fiddler* and has had the ear of Ben Gurion, Moshe Dayan, Teddy Kollek, and many others. His show business friends include Danny Kaye, Salvador Dali, David Niven, and Roger Moore. He is loyal to his background, his family, and his roots. He sounds quite a pleasant chap. But what on earth is it all doing between hard covers?

'The Oresteia' at the Olivier

The National Theatre is to present from the end of November Aeschylus' trilogy *The Oresteia* in a version by Tony Harrison, directed by Peter Hall. All three plays in the trilogy (*Agamemnon, Choephori, Eumenides*) are staged at each performance.

As part of the National repertoire, *The Oresteia* can have only 20 performances to the end of January. Each starts at 5.00 pm and ends at abou 10.00 pm. There are two intervals, the first lasting 3 minutes. Special arrangements will be made for full buffe meals and quick restaurant service.

The Oresteia opens on Satuday November 28, preceded b five reduced price previews. I will be given in the Olivier Theatre.

Architecture

Swimming against the tide

by GILLIAN DARLEY

The authorities whose unenviable task it is to regenerate the depressed inner urban areas of our cities are becoming used to spending large sums of money: what might be termed guilt money, meted out to salve the consciences of the Government of the moment. But to receive the money is one thing—to spend it well, quite another.

What follows then is a good news story, though it has as its background years of apparently fruitless endeavour, words in place of action and, meanwhile, environmental deterioration continuing at an inexorable pace.

A few years ago a group of Newcastle-upon-Tyne residents, from the down-at-heel western sector of the city, were found splashing about in the ornamental pool outside the Civic Centre. The object of their activities was to draw attention to the fact that three swimming pools had been closed in the area in preceding years and the replacement remained resolutely attached to a drawing board within the city council architects' department.

The "swim-in" did the job: it was resolved to build a new pool and to site it within the grounds of Elswick Hall. The house was demolished in 1978 and the park which had, over the years, become less and less of a public asset was to be remodelled, allowing for new all-weather sports pitches, the retention of one bowling green, a new pavilion for users of these amenities, as well as landscaping which would allow the best use to be made of its strongest asset—the mature trees—while improving the lie of the ground and the pathway system.

This ambitious programme cost close on £2m, 75 per cent of that from Inner City Partnership money. The architects responsible for both park and pool were the Napper Collerton Partnership and it was their experience in the field of swimming pool design (they were responsible for an award-winning pool in a similarly leafy setting at Richmond, North Yorkshire) as well as the skills of a landscape architect within the practice that singled them out as appropriate consultants. That the people responsible for different parts of the whole could argue the toss under the same office roof was important to the successful outcome of the scheme and a close working relationship is immediately apparent in the results.

Elswick Pool is, intentionally, a late 20th century variant on the glazed Victorian conservatory or pavilion. It is a building of glass and metal, black and red respectively, with strongly etched roof ridges appearing through the trees, as when it is glimpsed from the top of the site (the park is on a marked slope and gives spectacular views over the Tyne) or presenting a forceful skyline when viewed from below. The pool occupies, more or less, the site of the old Hall and the park still focuses on it, though approaches have been altered and the Victorian formality of the centre section has gone.

Inside, the pool is an enormously cheerful place. There is a complete range of swimming facilities, except for specialist competitive or diving provision, and it is 'free form' which makes the building appear less formal. Plants spill from drum-shaped containers, trellis screens and patterned tiling in strong, bright colours break up the expanse and overhead the scarlet exposed steelwork of the roof structure is punctuated by canary yellow acoustic baffles which double as depth markers to the water below. Swimming is the obvious first function of the building but it also has an inviting snack bar, plenty of seating spaces and an upper level club room.

The pool and park together are an adventurous leap into the unknown. If the residents of the west end of Newcastle do not accept Elswick as theirs, then the whole venture will have been largely in vain. Every effort is being made on the management side to bring the people of the neighbourhood into the running of the place and this, everybody hopes, will be its own best deterrent to vandalism. There are risks, the pool is a high quality building —not a vandal-proof bunker— and the park, with its dense areas of new perimeter planting and smart reinstated gates and railings could equally attract the energies of local discontented youth.

Nevertheless, the whole venture is one of confidence, designed to give back self-esteem to a long-neglected area and its residents, and the signs, so far, are that the money could hardly have been better spent.

A view of Elswich Pool

Delius Festival in 1982

A festival to celebrate the music of Frederick Delius is to be held at the University of Keele, in Staffordshire, from March 8 to 14 1982.

It is only the fourth such festival to be held.

The opening concert of the 1982 festival will feature the Orchestra da Camera.

Other concerts will be given by the Royal Liverpool Philharmonic Orchestra, conducted by the noted Delius specialist, Norman Del Mar, the Lindsay Quartet, and the University of Birmingham Music Society Choir and Orchestra.

The final concert of the festival will follow the tradition established by Sir Thomas Beecham in the first two festivals and will end with a full performance of Delius's *A Mass of Life*, to be held in the Victoria Hall, Stoke-on-Trent.

Sponsorship, still being sought for some of the concerts, has already been promised by such diverse organisations as the Government of Norway, the Delius Trust, West Midlands Arts, the Ceramic City Choir and Evode (manufacturers of Evostick).

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Tuesday September 15 1981

An old-style crisis

THERE CAN be no doubt that by all the traditional criteria, the action of the Bank of England yesterday in raising money market interest rates by a little over one percentage point *was thoroughly justified*, possibly overdue and probably inadequate. It was designed to check both an accelerating decline of sterling in the exchange markets and a rapid rise in private credit demand. The Bank, therefore, intervened forcefully: this move, unlike earlier nudging of the markets, is intended to provoke a sharp rise in clearing bank base rates, which may well go up by 2 per cent as a result, and no doubt in building society rates too.

The need for such a move, however, *represents a sharp setback* for the Government's economic strategy. The need to protect sterling can be blamed largely on forces outside the Government's control — the high level of U.S. interest rates, and the very weak state of the *oil market. The fact that there* are also domestic arguments for higher rates comes nearer home. The rise in credit demand may be partly a consequence of the fall in sterling, and resultant fears of future price rises; but it is also a result of *an aggressive drive* into new credit markets by the banks. There has been no sign of effective credit restraint in recent months.

Symbolic value

So far as the exchange markets are concerned, yesterday's move may have a symbolic value which cannot be calculated in terms of arbitrage gaps and forward rates. As long as the UK authorities treated the exchange markets with benign *neglect, they seemed to* acquiesce in the fall, and the arguments for a switch out of sterling were strongly reinforced.

It is now clear that the Government wants to check the fall. It remains to be seen whether this fact is enough to give a modest extra margin over D-mark rates enough power to stabilise this key rate.

It remains to be seen, too, whether a rise of two per cent in the cost of credit is enough to check personal borrowers. Ministers must also wonder how far it is desirable. The unexpected strength of retail sales and car registrations in August could be read as a welcome sign of recovery rather than a threat of inflation: it was to make such a recovery possible that the Government changed the balance of its policies in March.

However, borrowing for consumer purchases should not on its own be a great threat to monetary policy, for there are large offsets as the cash flow of retailers and manufacturers is improved. So far as the money is spent on imports, the *effect will be seen in the current* account rather than in the growth of the money supply. A net rise in domestic borrowing and money holding is likely to represent either a recovery in activity, which the Government will hardly want to nip in the bud, or a *rise in domestic lending* for non-productive purposes.

It requires no great detective skill, nor any access to information obscured during the Civil Service dispute, to point to such a rise. The clearing banks and indeed the official Trustee Savings Bank have been moving aggressively into the housing finance market for some months. They have committed sums to investment and promotion which would hardly be possible without tacit official approval.

Conflict

Here there is a clear conflict between the Government's prejudice in favour of the widest possible competition in all markets and its monetary and economic objectives. The Government has suffered much fiscal agony and has made its own aggressive move into the personal savings market with the single aim of freeing funds for productive investment. Allowing the banks to move into the gap left in the mortgage market short-circuits part of this effort and inflates the money supply in a meaningless way. Traditionalists would also argue that it is unsound banking.

Even if these domestic contradictions were sorted out, the level of dollar interest rates would pose a dilemma for the UK, as it does for all European governments; but this can be resolved only through continued neglect, allowing the dollar to become sufficiently over-valued to discourage further flows, or through concerted action. It is at home rather than internationally that yesterday's rise marks a policy failure.

Mrs Thatcher's Cabinet

IT WAS clearly a coincidence that the Government should have raised interest rates on the day of the Cabinet reshuffle, but the message from both developments is the same. As the Prime Minister made plain in her radio interview last week, there is to be no substantial change in economic policies whatever the Government's present unpopularity.

It folows from that that the best way of pursuing those policies is to have a united Cabinet. For it has been one of hallmarks of Mrs Thatcher's administration so far that some of the most damaging criticism has come from within the Cabinet itself. It is not that Ministers who disagree with the policies have put up a cogent alternative, but rather there has been a process of continual sniping which has *served to undermine* the Government's credibility.

Mrs Thatcher's objective was thus to create a Cabinet more after her own way of thinking, but without sending too many powerful figures to the back benches.

Promotion

In fact, the Prime Minister seems to have picked up where she left off in a smaller reshuffle last January. The chief characteristic then was the strengthening of the Treasury *team through* the promotion of Mr Leon Brittan to Chief Secretary while his predecessor, Mr John Biffen, was rewarded with his own department. Mr John Nott, a Thatcher admirer, was promoted to Defence Secretary.

Again this time all the main supporters of the economic policies have remained in the Cabinet. They have been joined by two others — Mr Norman Tebbit, who takes over at the Department of Employment and can be expected to adopt a tougher approach to trade union *reform, and* Mr Nigel Lawson who goes to Energy, having been Financial Secretary to the Treasury. Mr Nicholas Ridley, the new FST, is a right-wing intellectual whose appointment again signals no change in economic thinking.

The only member of the Cabinet who has been dropped and who is likely to cause trouble from the back benches is Sir Ian Gilmour. Indeed his criticisms already began in a series of interviews yesterday. Along with Mr Norman St John-Stevas, who was sacked last time, he can be expected to keep up an intellectual challenge from the party's paternalist wing. But Mrs Thatcher evidently calculated that he does not have too great a following.

It must have been touch and go, however, with Mr James Prior. On the face of it he is an excellent choice for Northern Ireland. He has considerable powers of conciliation and a high reputation in the country and the party. If any Tory *Minister is equipped to take a* new Irish initiative, it is he. Yet his appointment has been marred by the wranglings and lack of communication between him and the Prime Minister which preceded it. Mr Prior came very close to deserving to be sacked for leaking to the Press which posts he would or would not accept.

There are also one or two moves which, while having nothing inherently wrong with them, appear to have no obvious explanation. The shifting of Sir Keith Joseph from Industry to Education falls into that category. Sir Keih is a humane man with many of the qualities for the job, but we knew that before. There is no reason to think that industrial policy will be much different under Mr Patrick Jenkin or that Sir Keith will now be free to spend more of his time thinking about general policy development his forte in opposition.

Burden

Yet if Mrs Thatcher now has a Cabinet more in her own *image, it has yet to be shown* that she can put it to the best use. Much of it comes back to communication. The real trouble in the relations between Mr Prior and the Prime Minister was not that they disagreed on most of the major policy issues. In fact, they frequently saw eye to eye, except on the trades unions. It was a clash of temperaments which made it difficult to work together. Mrs Thatcher cannot afford to alienate too many people of his appeal. There may now be an able and faithful *economic team around her*, but none of them are exactly capable of stirring the national consciousness. There is a very heavy burden on the Prime Minister herself to present her policies to the country.

TRIUMPH-ADLER'S PROBLEMS

Volkswagen feels the heat

By Stewart Fleming and Kevin Done in Frankfurt

The development of high technology industries has been seen as a necessary strategy for the advanced countries. Volkswagen's purchase of Triumph-Adler, the the veteran office equipment company, seemed to fit the bill. But, as Prof Friedrich Thomée, the acting chief executive (right) admitted last week, it has bought major problems. Plans to shut Adler's Frankfurt plant have been modified after fierce local opposition and VW's experience again raises questions about companies' abilities to diversify into unrelated fields.

THE *SERMONS delivered at* Frankfurt's 130 Catholic and Protestant churches earlier this month took an unusual turn. Alongside the normal messages of spiritual uplift the faithful were urged "to fight, where men and women are losing their daily bread."

On the way out churchgoers were urged to sign the petition and join the campaign to save more than 4,000 threatened jobs in the city.

In following days the church bells rang in the shabby working class Gallus *quarter of the* city, not to urge the people to mid-week services but to bring them out on to the streets to demonstrate.

The unprecedented mobilisation of public opinion locally in Frankfurt—and on the wider *stage* of state and federal politics—combined last week to make Volkswagen, the country's second largest industrial corporation, retreat from plans to close Frankfurt's historic Adler typewriter works with the total loss of 2,600 jobs.

If Volkwagen had followed its business instincts nothing would have stood in the way of the plant being consigned to Germany's industrial scrap-heap. Closure was the "optimum business solution" to the desperate structural problems facing its troubled subsidiary, Triumph-Adler, the VW board said last week.

What saved the day—at least for the moment—was an unprecedented campaign against the closure orchestrated by the trade unions, the churches and local and national politicians, which surprised and shocked the VW board in Wolfsburg. Volkswagen's senior executives discovered almost overnight a sense of social duty.

"People have a higher priority," said Professor Friedrich Thomée, acting VW chief executive articulating the company's new business gospel. For the first time since it acquired Triumph-Adler in early 1979, VW had intervened directly in the company's day-to-day management to veto T-A's most direct solution to its difficulties, the shutting of the Frankfurt plant.

VW's U-turn graphically highlights the growing limitations to corporate power that have grown up in the Federal Republic since workers' representatives were placed on company supervisory boards in the mid-*1970s. But it illustrates, too,* the peculiarly sensitive position of Volkswagen itself to social pressures.

The company is still 40 per cent owned by State interests—20 per cent by the Federal Government and 20 per cent by the state of Lower Saxony. Its supervisory board includes as deputy chairman, Eugen Loderer, the country's most powerful trade union leader and head of IG Metall, West Germany's largest union, as well as under-secretaries of state from the Federal Economic and Finance Ministries and the Economics Minister of Lower Saxony.

With unemployment in West Germany rising to its highest level for 30 years, the trade unions are growing restive with what they see as the failure of the Social Democrat/Free Democrat coalition in Bonn to take measures to stimulate the economy in order to save jobs.

Volkswagen itself has offered to take up to 2,000 Triumph-Adler workers on to the payroll at its car plants in northern Germany, but for trade unionists in militant mood that is no solution. "Why should the workers go to the work?" demanded Franz Stein, chairman of the T-A workers' council in Frankfurt last week.

It is this attitude which promises to present West Germany with one of its biggest problems in *adjusting to high* and rising unemployment for the German worker is becoming notoriously immobile.

VW admitted that its decision to save the Adler works — it is cutting jobs there from 2,600 to 1,000 and is aiming to lose *another 700 jobs at two other* T-A plants elsewhere in Germany — will cost it at least DM100m in 1982-83. It has accepted that, however, as the price of trying to restore industrial peace to Triumph-Adler and of maintaining jobs in a *city whose service sector is booming, but where the* disappearance of industrial employment is threatening seriously to unbalance the labour market.

Why a takeover is turning into a nightmare

VOLKSWAGEN'S much-heralded diversification into what is widely seen as one of the boom markets of the decade, office equipment, is turning into a corporate nightmare.

West Germany's largest car maker has lavished in the region of DM 1bn (about $420m) on the move into the totally unrelated business of office equipment buying control of Triumph-Adler — a company best-known for its typewriters, but now diversifying into computer-based office equipment.

VW thought that it was purchasing a business with an assured future in this fast-growing field whose profits would help to offset the cyclical earnings of the motor industry. After two years, during which T-A's management was left *largely to itself, the picture* looks very different.

VW is now having to pump money and scarce management time into a company which cannot compete in the office equipment market without savage and expensive re-organisation. And this daunting restructuring comes in the middle of a worldwide motor industry recession which has helped to plunge its U.S. and Brazilian subsidiaries into losses and has pared the group's profits to the bone.

It has become apparent that when VW bought Triumph-Adler its board had no clear idea about the company's prospects in the highly competitive office equipment market. "With Triumph Adler we had not planned for losses but for profits and the development has been just the opposite," admits Professor Friedrich Thomée, acting chief executive of VW and one of the main architects of the move.

Not only VW, but also the Board of Triumph-Adler itself underestimated the speed with which the office equipment industry has moved and the impact which micro-electronics *and the convergence of telecom*munications and computer technology would have on Triumph-Adler's business.

Its products are still too heavily concentrated in the mechanical and electro-mechanical markets, such as mechanical and electrical typewriters. T-A's commitment to the "intelligent terminals" of the "office of the future" has come too late and is still inadequate, especially if it is to compete effectively. Companies like IBM, Nixdorf, Hewlett-Packard, Standard Elektric Lorenz (part of ITT), Rank Xerox and Siemens are in the process of revolutionising the German office market and have left T-A far behind.

Earlier this month Triumph-Adler disclosed that it was examining a drastic re-organisation programme which would have cut its domestic workforce by almost a third and meant the closure of its second largest German plant, the Adler works in Frankfurt.

In announcing last week that the venerable Adler works would not be closed after all, but that instead employment there would be cut from 2,600 to 1,000 with bigger cut-backs than initially proposed at two other plants at Nuremberg and Schwandorf, Prof Thomée did not disguise the scale of the challenge the company is facing.

He conceded that Triumph-Adler's losses this year would *be in excess of the DM 86m* reported last year, despite a 25 per cent rise in turnover to around DM 2bn from last year's DM 1.6bn.

In perhaps the most revealing commentary on VW's view of its troublesome subsidiary, *Prof Thomée said it would be* forced to look for a merger or co-operation agreements with other European office equipment producers to meet the challenge of U.S. and Japanese competition.

He confided ruefully that even this way out of the problem would only become practicable when the re-organisation measures had begun to bite.

When it announced the first step in its takeover of Triumph-Adler, Volkswagen made great play of the fact that it would maintain the independence of its new subsidiary, but the arm's length relationship it established is now costing it dearly.

When it became clear that there was more amiss than just a downturn in the trade cycle, the motor manufacturer chose to stay on the sidelines itself, preferring to send in trouble-shooters from McKinsey, the management consultants.

The McKinsey team headed by 42-year-old Dr Friedrich Schiefer came up with a plan to re-structure Triumph-Adler into *six* product divisions

The new organisation plan was not a cure for all ills, *stresses Prof. Thomee, but it* was a pre-condition for future progress. "Previously it was impossible to see where responsibility lay or whose hands it was in," the VW finance chief admitted.

In practice responsibility lay *largely in the hands* of one man, 54-year-old Gerd Weers — 28 years with Triumph-Adler, 12 of which were as chief executive. By the time the McKinsey team had finished its work Herr Weers' role in day-to-day management was also over.

The man Prof. Thomée wanted to take over the troubled company was none other than Dr Friedrich Schiefer, the leader of the McKinsey study team. He was only ruled out when he pitched his demands for the job too high. He wanted not only the chairmanship of T-A, but also a seat on the main Volkswagen board.

Prof Thomée himself is giving up the chairmanship of the Triumph-Adler supervisory board while staying as a member. Since the heart attack of Herr Toni Schmücker, the VW chief executive in June, he has had to assume the burdens of leading Volkswagen through the world motor industry recession while still coping with his job as head of the company's finance division. His position as chairman of the T-A supervisory board went last week to Herr Horst Münzer, the VW executive board member for purchasing.

VW's brief experience with Triumph-Adler—it began purchasing the company in March, 1979 when it bought 54 per cent from Litton Industries, the U.S. conglomerate and by late 1980 had gained 98.4 per cent with *further purchase from Litton* and Diehl, the West German electronics group—has been a painful example of the pitfalls of diversification.

Flush with cash of over DM7bn built up as the German motor industry boomed in the second half of the 1970s, VW purchased its way into an industry in which it had no experience and was going through a period of revolutionary change.

The company into which VW poured its cash was not even its first choice. It turned to T-A after talks with Gutehoffnungshütte, West Germany's biggest mechanical engineering group, and after having failed to gain majority control of Nixdorf, the dynamic small business computer concern.

It settled instead for a company with a somewhat patchy record. T-A's origins lie in the manufacture of motor cycles and later cars and since the war it has passed through the hands of Grundig, the West German consumer electronics group as well as Litton.

Even before the dam broke in Germany this month T-A had run into deep trouble else*where. Two works have already* been closed in the Netherlands and nearly 1,000 jobs have been cut from the group's operations in the U.S.

Its big push to expand in the U.S. with a $117m takeover in late 1979 of Pertec, the computer peripherals and data processing systems manufacturer, brought more problems in its wake. It, too, fell into the red last year and in recent weeks T-A has been forced to cut its losses with the $30m sale of Pertec's direct sales operation for data collection systems to Sperry Univac.

Volkswagen must now be hoping that the re-grouping of the European office equipment sector, which Prof. Thomée referred to last week, will offer the motor company the chance of making a graceful emergency exit.

MEN AND MATTERS

Victor ludorum

A familiar figure in a rumpled blue jacket was to be seen putting in a Banquo-like appearance at the Playboy licence hearings at Caxton Hall yesterday. For Victor Lownes, still keen on getting back into the London gaming business, is occupying himself for the time being with an autobiography of his 26 years at Playboy, and was there on Press benches collecting material and chatting with the traditional bevy of lovelies.

But paying still closer attention to Lownes was a representative of one of the livelier Sunday newspapers, which has signed up for advance revelations from the forthcoming work. Just another of the happy couplings which have made *Caxton Hall so famous.*

Steel girders

Though Liberal leader David Steel would no doubt get his *way anyhow, he must be grati*fied by the enthusiasm with which the Asquith family heirs have rallied to the alliance with the Social Democrats.

After a long absence from active politics, Asquith's grandson Mark Bonham-Carter is at Llandudno this week making no secret of his willingness to be drafted as a candidate for the new cause.

Victor in the 1958 Torrington by-election, first of many false dawns since the war for the Liberals, Bonham-Carter reflected more new-found opti*mism than the badges around* him proclaiming: "Support British Steel—smelt the Iron Lady."

After failing to hold Torrington in 1959 or recapture it in 1964, Bonham-Carter was chosen as first chairman of the Race Relations Board in 1966 by then Labour Home Secretary Roy Jenkins. He has held a variety of other public posts since, including a six-year term as vice-chairman of the BBC which ended last month. At the age of 59, he is ready for the political fray again.

Brother-in-law and former party leader Jo Grimond has also been militantly advising Liberals "to welcome their allies as Wellington greeted Blucher at Waterloo."

A frustrated searcher for political realignments since the early 1960s, Grimond would personally like to see the Liberals and SDP amalgamate and be done with it. Not practical politics yet, he concludes

Events have brought a new spring to his step, however. What cheers him about the Social Democrats is the fact that they look so cheerful, says Grimond. "Once again politics smells of hope and generosity, nor gloom and back-biting."

Jim'll fix it

"A prior commitment"—an undertaking made in the heat of the moment which is subsequently revoked.

Outcry

On the eve of the election, Norway's Minister of Consumer Affairs, Mrs Sissel Ronbeck, attended one of the most bizarre political meetings of the campaign—and left in tears.

The occasion was a combined rock concert and protest rally, climaxing a campaign against the high level of fines handed out to Oslo youngsters after street rioting earlier this year. *It was attended by a colourful* array of teenagers

Ronbeck was invited, together with Oslo's Conservative mayor Albert Nordengen, to listen to the youngster's grievances. The mayor declined. The braver Ronbeck accepted.

Jostled on the rostrum, subjected to a torrent of often obscene abuse, and with glowing cigarette stubs waved beneath her nose, she heard first-hand the litany of complaints which have rung through so many European cities this year

Courageously, the minister stood her ground, affirming her support for the youngsters, and her conviction that politicians—whom she characterised as tucking themselves away behind shiny desks—should talk with them directly. Finally, her tenacity was rewarded with vigorous *applause*—and it was this that started the tears flowing. "I was more touched than upset," she later explained.

Bin ends

"The Survivors Wine Club," is not, as you might think, an association dedicated to the tasting of some of the more unruly Australian and North African table wines, but the faintly barmy brainchild of Protect and Survive Monthly, which argues that the perfect intermediate use for a nuclear shelter is as a wine cellar.

The magazine promises to offer through its club a "selection of wines for laying down—plus a few for drinking while you wait." And just to reinforce the message that the holocaust has its acceptable face, Margaux wine-grower Alan Mialhe is being decanted for the enjoyment of members at an inaugural meeting.

Scot free

An apocryphal tale reaches me from Glasgow of a tax office which was deeply troubled by a local businessman who had registered a company two years ago, but had since neither filed returns nor answered the taxmen's inquiries.

Deciding that the time had come for action, the senior tax inspector despatched a stiffly-worded letter telling the delinquent trader that he had been assessed for £10,000 of tax liability.

Two days later, the man appeared and, smiling benignly, slapped down on the inspector's desk an envelope *stuffed with a* thousand £10 notes.

The puzzled inspector decided that the assessment must have been too low, and sent a second letter demanding £100,000. The man re-appeared and, with only slightly less good grace, left an attache case with the required sum once more in cash.

What sort of business could the man be running, to pay £100,000 so readily after only two years? The bemused inspector followed smartly with a third demand for £1m.

To the tax office the Glaswegian returned, this time far from amused, and struggling with a heavy case. "I've had enough of your demands," he grunted, "and if ye cannae make up your minds, ye can have the business and do the work yerselves." *And so saying,* he threw open the case to reveal a modest but evidently efficient printing press.

Observer

هكذا من الأصل

John Edwards, Commodities Editor, says that raw material producers may try to take a leaf out of Opec's book as demand picks up next year

Commodities: the producers try again

NO ONE knows for sure the identity of the powerful groups now controlling the tin market and pushing prices to near record levels.

It could merely be a very costly speculative venture. It could be inspired by oil-rich individuals, by companies or by countries which want to build up stocks of a metal with limited known reserves to establish a sort of "mine" above the ground without actually buying a mining company.

Or it could have wider implications. There is widespread suspicion, supported by circumstantial evidence, that the manipulation of the market is backed by tin-producing countries angered by the refusal *of consumers to agree to raise* the International Tin Agreement *price range.*

If the producers have indeed decided to take unilateral action, this may herald a *general change of attitude* towards commodity price stabilisation by Third World countries. They have become increasingly disillusioned with every attempt to co-operate with consumers in international commodity agreements. And if the world economy does turn up next year they may well try to take advantage of it.

Ever since Opec shocked the industrialised world in 1974, there has been concern that producers of other vital raw materials might try the same tactic. Like oil, metals are a non-renewable resource with main known reserves mostly in the developing world. Tin would, in theory, be an ideal candidate for a cartel since it is produced in only a few countries. Three of the leading producers—Malaysia, Indonesia and Thailand—are *clustered* close together and share common *political interests.*

The fear of a rash of "Opecs" has already encourage industrialised countries to support the integrated commodities programme, formulated by the United Nations Conference on Trade and Development (Unctad) which would *give* Third World exporters a fairer deal. The programme includes the controversial common buffer stock fund which is *supposed* to provide financial backing for international commodity agreements. World market prices for a particular commodity would be controlled, if possible, within an agreed price range by means of support buying by buffer stock funds in times of surplus and selling off any accumulated stocks when there is a shortage. In theory, the market would be constantly in balance and there would be no more wild price fluctuations.

But once the initial panic about cartels died down the industrialised world started to have second thoughts. Would *international commodity* agreements really work? Are they just a *way of putting up prices?* And, most important of all, is it worth putting up funds aimed primarily at raising the cost of the industrialised world's imports?

The common buffer stock fund, initially planned to have resources of $6bn, has been whittled down to $750m, of which only $350m would be used to support buffer stock operations; the rest to be *voluntarily contributed* is supposed to be a second "window" *providing* funds for promotion and marketing. Negotiating *new agreements has proved a* long and tedious business. *Industrialised countries* have dragged their feet and there is *considerable infighting among* producers themselves.

The failure to make much progress has cast a shadow over *the whole North-South dialogue* between rich and poor countries and *the producers* fear that the Reagan Administration with its free market philosophy will make the task even more difficult. The EEC is not helping much either, *although the* election of President Mitterrand *may make* a difference.

Britain nowadays is known as a *hardliner, only one step* behind the U.S., in spite of its Commonwealth links. Constant disagreement between Common Market countries has made it exteremly difficult for the EEC to play a positive role in negotiations.

This emerges clearly from an examination of some individual commodities:

● **Sugar:** So far, the EEC has refused to join the International Sugar Agreement and is flooding the world market with *heavily subsidised* exports of surplus beet sugar.

Last week there were *signs* that France might be willing to *change its opposition and agree* to join the Sugar Agreement, although hard bargaining can be expected on its export quota entitlement. The Sugar Agreement, with its mixture of export quotas and reserve stocks, linked to "trigger" prices, has not been able to control the market significantly.

● **Coffee:** The International *Coffee Agreement has not* been much more successful. Talks are currently going on in London to try to decide quota allocations, and *price* levels for 1981/82 season, but many delegates feel this is something of a farce since the Agreement has not prevented prices plunging through the "floor" level in spite of heavy cutbacks in quotas.

● **Cocoa:** The International Cocoa Agreement, which collapsed last year, has been *renegotiated* much to everyone's surprise. The prospect that support *buying will start by* October 1 at the latest has *brought a dramatic rise in* world cocoa prices from a five-year low of under 75 cents a lb to the present level of 106 cents. The "floor" of the Agreement is 110 cents, but the buffer stock has $220m carried over from previous pacts and will be provided with further funds by *the resumption of the system* whereby a levy of 1 cent a lb is imposed by member countries either on exports or on imports from non-members.

It is highly significant that the new cocoa pact is ready for action, despite the refusal of the world's biggest producer (Ivory Coast) and the biggest consumer (the U.S.) to join (the first because it considers the floor price of 110 cents too low and the second because it feels the price is much too high).

But the real test for this agreement is to see whether a buffer stock scheme can work with a commodity that is difficult *to store for long without* deteriorating in quality. The answer will be *to rotate the* stock, by buying and selling, but market traders are far from certain whether that is viable. They point out that the presence of known stocks depresses the market itself. It allows consumers to cut their stocks to low levels and encourages producers *to boost output knowing* they have an outlet.

However, *the agreement does* have a *sliding* scale: if the buffer stock acquires more than a certain amount of surplus cocoa within a 12-month period, the Agreement's price range is automatically lowered. The same applies in reverse; the price range is automatically increased if the buffer stock sells more than a certain amount.

● **Rubber:** A similar arrangement has been built into the national rubber agreement, which came *into force* provisionally last October, but has yet to be *ratified* by sufficient countries for the buffer stock to *become operational.*

The U.S. views the natural rubber pact as a possible model for commodity agreements generally. But it has not got off to *an auspicious* start. Recent reports that the Malaysian Government was *holding* back exports in an attempt to lift rubber *prices from* the depressed conditions in the market, *and that Indonesia* was planning similar measures, have caused *some concern.*

Consumers argue that there is not much *point in having* an agreement if producers are *going to take* unilateral action to push prices well above the *range of the Agreement.*

The U.S. and other consumer countries will be reluctant to ratify the pact and pay their contributions for the buffer stock fund if they think that the market has already been artificially inflated by producers. Malaysia claims that all it has done is to encourage private rubber growers to withhold supplies from the market while restricting export duties to *help reduce* "unhealthy *speculative* elements.

● **Tin:** *Malaysia* recently announced plans for a state-owned *company to co-ordinate exports* of its primary raw materials and it also has moved to strengthen Government holdings still further in tin mining and plantation companies.

Significantly, perhaps, the real manipulation of the market started immediately after the last meeting of the International Tin Council in July. Consuming countries, led by an unusual alliance of the U.S., Japan and the Soviet Union, rejected for the second time producers' demands for an increase in the International Tin Agreement price range.

In April the producers had *walked out in disgust from the* Tin Council when consumers *refused to grant an increase.* They were angry because under an *informal* gentleman's agreement, the producing countries had held off for a year from seeking a rise on the understanding that this forbearance *would be rewarded by at least* a modest adjustment. The further rejection at the July meeting, in spite of intense lobbying by moderate producing countries after the April debacle, was an even greater shock. *So it would not be surprising* if the producing countries *felt justified in taking* unilateral action at least until the October *meeting of the* Tin Council when demands for a rise in the Agreement's price range will undoubtedly be pressed again.

Negotiations for a new agree*ment, to replace the existing* pact which expires next June, were long and difficult. In the end, both Bolivia and the U.S. indicated they would probably not join and Britain and West Germany are none too keen as a result. The Americans are still considering the situation, but there is a body of opinion among producer countries that it is better for the U.S. to stay out. They claim the Americans are a *disruptive* element with a natural instinct to oppose any price range increase and encourage other consumers to do the same.

Although the producers have learned the hard way (*especially* in coffee and cocoa markets) that it is difficult to sustain a united front for non-essential or renewable commodities, they feel more positive action could be taken to control the markets.

Industrial rationalisation *in* the consuming countries means that buying power is now often concentrated in the hands of a relatively few big companies. Producers argue, therefore, that *they have a perfect right to form* similarly powerful sales groups *to protect their interests.* When demand for raw materials recovers to more normal levels, the world may have to adjust to a new drive to strengthen producer power.

Every working day 32 London Metal Exchange dealing members trade on the ring in copper, lead, tin, zinc and silver for clients in every industrial country in the world

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Letters to the Editor

Major capital investments

From Mr I. Johnson.

Sir,—Spending £2.7bn on the proposed North Sea pipeline system to gather gas reported to be worth £25bn would seem to be a reasonable investment—which is not to say that smaller alternative schemes might not be even better. Yet this national investment *seems likely* to founder because of its effect on the *public sector borrowing* requirement. At the same time, *the Government seems prepared* to encourage considerably *greater* expenditure on a Channel tunnel or bridge, the economic and political benefits of which (to Britain) must be extremely doubtful.

The resources to pay for such investments are national assets, irrespective of whether they reside in the public or private sector: indeed, as taxation policies in the North Sea confirm, whether or not wealth remains in the private sector depends only on the whim and perceived revenue needs of central government.

Investments amounting to billions of pounds invariably involve Governments in one way or another and it is fatuous to suggest that projects which can be funded without affecting the PSBR should be regarded more favourably than those that cannot.

To a certain extent, PSBR reflects the consequences of past uneconomic Concorde-like projects in both the public and private sectors. *Assessing major investments* honestly on a national basis (disregarding the effects of subsidies and taxes) should be mandatory *and* would reduce the "white elephant" population. Goodbye Channel tunnel/bridge!

I. A. Johnson.
"Green Tiles," Mill Lane,
Chalfont St. Giles, Bucks.

Barriers to mobility

From Mr F. Law

Sir,—I would like to congratulate British Rail and its Chairman, Sir Peter Parker, on the launch of their rail card for the disabled, and one must endorse his views that all transport systems should try to remove the barriers to mobility.

This particularly applies to the airlines, who seem to be reluctant to make air travel more popular. *Most rail, bus* and underground services in England *and certain countries* of continental Europe have introduced *special concessions* for senior citizens.

I would *have thought this* makes a lot of sense. After all, here is a market of people with more leisure, but usually less income.

F. S. Law.
61 Cadogan Square, SW1.

Highly paid executives

From Mr C. Dilloway.

Sir,—Your correspondents and others who comment on high *salaries paid to some* captains of industry may well be right but *they* quite miss the point. Two or three levels down in a company's *hierarchy* there are numbers of younger active working managers who can really affect company performance. They work at a level where they probably have a nodding acquaintance with *some of those at the lowest* working levels of all. It is they *who are separated from their* families by trips overseas, who receive the 2.00 am phone calls and take work home by the *briefcaseful.*

These managers are, like most of us, more inspired by what the future holds than their current remuneration. So paying a chief executive chairman £100,000 a year more and obtaining £5,000 worth of extra effort from a hundred lower paid managers is an extremely good buy. The difficulty is that once explained at the annual meeting the steam goes out of the idea and the money is wasted.

Ask those who don't believe in the incentive of expectations how much they stake on the pools each week and what they dream of doing with the money they never win. Notice that nationalised industry chairmen are usually appointed from outside and *consequently* receive more reasonable salaries as the lower-level incentive effect cannot apply.

It is all very well to believe in democratic control of industry *but public opinion has* an unsubtle way of handling people.

C. C. Dilloway.
"Highcroft,"
Gunhouse Lane,
Bowbridge, Stroud,
Gloucestershire.

Tending the garden

From Mr P. Thurnham

Sir,—Mr Anthony *Harris* (September 10) urges the *Chancellor* to practise good husbandry by eliminating tax allowances.

He lists a corrected total of £16.4bn—but surely, he has missed the biggest allowance (and anomaly generator!) of all, namely the arbitrary categories of exempt or zero rated VAT items?

An across-the-board VAT would simplify Customs and Excise administration, and raise an additional £10bn.

Such a sum would be sufficient not only to make a much needed cut in employers' national insurance surcharges (so boosting employment and saving unemployment benefits), but also to introduce negative *income tax for those for whom* tax sheltered *food* costs are a necessity, rather than an invitation to gluttony, and *neglected vegetable patches!*

Peter G. Thurnham.
Sidegarth,
Staveley,
Kendal,
Cumbria

Physical laws

From the Managing Director, Fulmer Research Institute

Sir,—It was very gratifying to note in Economic Viewpoint (September 10) that Mr Anthony Harris has realised the relevance of physical laws to fiscal performance. He correctly quoted Newton's First Law, but a rather more suitable law which has relevance to taxation policy is Le Chatelier's Principle. This states that when a constraint is placed upon the *system,* the *system* responds so as to minimise the effect of the *constraint.* Hence, when *new* taxes are imposed the behaviour *of those taxed is changed so* as to minimise the effects of the taxes on them.

It has long been my belief that a closer understanding of the way that established physical laws could be applied to the management of our economy would enhance the performance of those responsible for its manipulation.

I hope that Mr Anthony Harris will pursue his educational endeavours in this direction.

W. E. Duckworth.
Stoke Poges,
Slough, Berks.

Lessons to be learnt

From Mr K. Mannaberg

Sir,—Schoolboy Jacob Rees-Mogg (September 12) will have a lot to learn before we can allow him to take over Lord Weinstock's job at GEC.

He will have to appreciate that one of the main reasons why *British industry is in* the deep trouble that it is is because *employees and managements* have been paying themselves too high remuneration, and the shareholders too high dividends, thus leaving their companies uncapitalised, on the verge of bankruptcy, and with insufficient; inefficient or outmoded plant, in many cases to meet the challenge of rising productivity in an ever more competitive climate.

Young Rees-Mogg will also have to realise that, whatever size the reserves that a company is fortunate enough to put into its kitty, it is not just there to replace existing plant, but to buy highly advanced and *sophisticated technology,* perhaps robots, which in the case of a high technology *manufacturer* costs many times the present value, not even allowing for the expenses of research and development.

The true purchasing power of those reserves will be considerably less after inflation has taken its devastating toll, by the time the investment has to be made, so somebody has to do a bit of clever crystal gazing to suggest what that might be when that moment has arrived.

In any case, as Jacob grows *up, he will find that his sight* must be set on companies that pay him a more modest dividend, but that gain from steadily raising their intrinsic value, showing a prudent reserve policy, and give him good capital appreciation instead.

Perhaps, hopefully, that was the reason why young Jacob's was the only visible vote of dissent.

Kurt Mannaberg.
Flat 10, Lealholme Court,
St Andrew's Road,
Earlsdon, Coventry.

As old as the hills

From Mr W. Grey

Sir,—"Without clear monetary figures to guide them," you concluded your analysis (September 12) of the "new dilemma" facing them, "Ministers will have no choice but to rely on their instincts more than ever." But ought they to do so? And is their dilemma in fact a new one?

The answer surely is that the dilemma presented by different policy objectives, whether they are the fight against inflation, against unemployment, against a balance-of-payments deficit or surplus or whatever, is as old as the hills. So is the choice of different means to resolve it. To that extent, today's dilemma is no different from yesterday's; indeed, the one is the direct product of the other.

The dilemma now facing the Government with regard to sterling arises only because its management of the same dilemma earlier on had been unduly benign. Had sterling not been allowed to rise to the extent it did then, its recent fall would, of course, be causing no problem since, like its preceding rise, it would not have happened. And if that rise had not happened, then the agony it has caused (and is still causing) would, of course, not have happened either.

The conclusion is, or should be, perfectly obvious. In its management of the economy the Government, *far from relying* on instinct or allowing itself to be blinded by *preoccupations* with this or that meaningless *figure (not to say fetish),* should follow the simple rule *of always leaning against the* exchange-rate wind. It should, in other words, so conduct the nation's affairs that the exchange rate as far as possible is at all times kept stable.

This is, of course, the principle underlying the European monetary system, joining which sooner could therefore have spared us a lot of trouble. Happily, it is never too late to repent. Let the Government therefore throw timidity—and misguided instincts — to the wind and follow this lodestar without further delay. Nothing could more quickly release us from the straitjacket of our own making.

W. Grey.
12, Arden Road,
Finchley, N3.

Home video market

From Mr N. Hepburn

Sir,—We are given to understand from normally accurate sources of prediction that sales of home video equipment this year will approximate 800,000, next year 1.2m and possibly up to 5m to 1985/86. We have even read that by the end of the *1980s* more than half the homes in Britain will own or *rent home video equipment.*

Doing some personal research *recently with a view to acquiring* some video equipment, we have been advised that of the fifteen or so different models available, all but two are manufactured in Japan and the remaining two are manufactured in Austria and Germany respectively. None is manufactured in Britain. Why?

N. W. Hepburn.
20 Arley Road,
Solihull, West Midlands.

Plucked and emaciated

From Mr W. Heymanson

Sir,—For years now Chancellors of the Exchequer have plucked the maximum amount of feathers to achieve the minimum amount of squealing. Feather plucking can cause emaciation, some birds become "lame ducks."

Government policy on oil company taxation, and banks' windfall profit, should be tempered by the old saying from Strasbourg "you cannot get foire gras and eggs from the same duck!"

W. Dennis Heymanson
The Manor House,
Middleton-on-Sea, Sussex

Today's Events

GENERAL

UK: Mr *Michael Foot,* Opposition leader, and Mr Denis Healey, deputy leader, leave with Labour MPs delegation for visit to Soviet Union.

Liberal Party conference opens, Llandudno (to September 19)—debate on draft programme "Foundation for the future;" fringe meeting with Social Democratic Party leaders Mrs Shirley Williams and Mr Roy Jenkins.

Confederation of British Industries statement on public *spending.*

Sir Kenneth Corfield, STC chairman, speaks at opening of Institution of Mechanical Engineers two-day conference on education of tomorrow's *engineering designers, Robinson* College, Cambridge.

CBI *conference* on introducing single status employment—what's the difference? at Centre Point.

Offshore Europe 81 exhibition and conference opens, Aberdeen, (to September 18).

International Plastics Exhibition opens, NEC, Birmingham (*to* September 22). Town Hall (to September 26).

Henley Centre for Forecasting conference Revitalise your market thinking, at London Press Centre.

Overseas: European Parliament debates unemployment, Strasbourg.

OFFICIAL STATISTICS

Central Statistical Office publishes July provisional index of industrial production.

COMPANY MEETINGS

Associated British Engineer*ing, 7 West George Street,* Glasgow, 12.00. British Land, Mayford Hotel, Berkeley Street, W, 12.00. Bromsgrove Castings and Machining, Perry Hall Hotel, Bromsgrove, Worcestershire, 12.00. Group Investors, 2 St *Mary Axe, EC, 12.30.* NCC Energy, Savoy Hotel, Strand, WC, 12.00. J. W. Spear, Connaught Rooms, Great Queen Street, WC, 12.00.

COMPANY RESULTS

Final dividends: Consolidated Gold Fields. Fletcher Challenge. Samuel Heath and Sons. London Merchant Securities. Ricardo Consulting Engineers. **Interim dividends:** Barrow Hepburn Group. Barton Group. British *Aerospace. Horace Cory. Croda* International. Expanded Metal. Bernard Matthews. George Spencer. Travis and Arnold. Willis Faber. **Interim figures:** Hestair. KCA Drilling Group.

Gripperrods falls in second half

A *REDUCTION* in the second half has led to a shortfall in profits at **Gripperrods Holdings** for the year ended April 30 1981. The dividend, however, is maintained.

The year's profit fell from £1.33m to £1.12m, after being virtually unchanged at halfway. Turnover of the group, which makes and sells carpet underlay and laying fittings rose from £15.39m to £16.97m.

The final dividend is 5.25p *gross to give shareholders* an unchanged total of 7.5p gross.

After tax of £42,875 (£598,857) and minorities nil (£257), the net profit attributable came out at £1.08m (£0.78m).

Earnings per share are shown at 43.22p (29.08p). On a CCA basis the net taxed profit was £994,877.

Chambers and Fargus ahead to £412,000

FULL YEAR pre-tax profits at Chambers and Fargus showed an upturn from £355,834 to £411,860 for the year to June 27 1981. The final dividend has been *raised to 1.5p, making a total of* 2p compared with the previous 1.5p.

Turnover was lower at £8.55m (£11.42m). The tax charge was down to £130,567 (£186,358) and the profit after tax was up to £218,293 (£169,476).

The company is involved in seed crushing and oil refining. *The start of this year was beset* with shortages of both seed and oil and the company expected difficulty in continuing the trend of first half pre-tax profits, which were £234,000 (£83,091).

G.T. JAPAN INV. TRUST

Pre-tax profits of G.T. Japan Investment Trust improved from *£452,013 to £503,012 for the year* ended June 30, 1981 and the net total dividend is being lifted by 0.5p to 4.5p per 25p share by a final of 4p, compared with 3p.

Gross income for the period was *higher* at £1.7m (£1.62m).

Tax rose from £231,630 to £262,378 and stated earnings per share came through at 4.81p, against 4.41p.

In their interim statement the directors anticipated total dividends of not less than 2p on the information then available.

S. Pearson shows 10.6% rise halfway

PROFITS BEFORE tax and minorities at S. PEARSON AND SON rose by 10.6 per cent to £19.8m in the six months to the *end of June, making up most of* the ground lost in the first half of last year when profits dropped from £20.6m to £17.9m.

However, the interim dividend has been maintained for a second year running and no *decision has yet* been made about the final Mr Michael Hare, the chief executive said yesterday. Stated earnings fell from 12.1p to 10.1p before extraordinary credits.

Fortunes of the individual *businesses* which make up the widely diversified group varied considerably. The major contributors to the profit increase were the North American interests particularly in the oil sector, and Lazard Brothers, the merchant bank.

Pearson Longman, the group's quoted publishing subsidiary, showed marginal improvement as a result of recovery in *book* publishing, and Fairey, the recently acquired engineering company, has returned to profitability. But the glass and tableware businesses of Royal Doulton, and the leisure interests within Madame Tussaud's were *sharply down.*

	First half 1981 £000	First half 1980 £000		First half 1981 £000	First half 1980 £000
Turnover	*327,443	261,068	Royal Doulton	685	5,431
Pearson Longman	153,513	124,267	*Whitehall Trust*	5,813	4,446
Royal Doulton	153,513	124,287	Midhurst Corp.	5,573	2,507
Midhurst Corp.	45,155	26,724	Madame Tussaud's	361	465
Madame Tussaud's	3,775	3,523	Other interests	1,117	695
Other interests	685	757	*Interest & Expenses*	3,514	3,411
Profit before tax	19,844	17,893	Taxation	6,513	5,276
Pearson Longman	5,897	5,571	United Kingdom	3,381	3,995
Royal Doulton	719	5,508	Overseas	6,283	2,541
Whitehall Trust	7,269	5,456	Less minority	2,151	1,280
Midhurst Corp.	7,781	3,363	Attributable S. Pearson	7,117	8,321
Madame Tussaud's	361	465	Extraordinary credits	292	8,304
Other interests	1,331	941	Preference div.	9	9
Interest & expenses	3,514	3,411	Ordinary interim	2,651	2,648
Minorities	6,214	4,296	Retained	4,749	13,968
Pre-tax attributable	13,630	13,597			
Pearson Longman	3,595	3,484			

* Excluding banking and investment income.

Fairey, the engineering group acquired for £22m last year, lost £2.8m pre-tax in the 12 months *to December.* But Mr Hare said yesterday that it had turned round to a profit of £1.1m in the six months under review. The group is still considering legal action over the purchase from the National Enterprise Board.

Fairey forms part of the Royal Doulton division, whose pre-tax profits dropped from £5.5m to £719,000 between the two first halves. Despite price rises in the first half of the year averaging about 8¼ per cent, both the *glass and* the *tableware* business have been "disappointing", according to Mr Hare. Although they have just about maintained market *share,* markets are generally smaller.

Since the reorganisation of portfolio investments, Whitehall Trust's profits now come largely from Lazard Brothers, where a high level of corporate finance activity *led* to a 33 per cent increase to £7.3m in pre-tax profits for the division.

Oil interests were the main reason for the more than doubled profits of £7.8m at Midhurst Corporation, which contains the group's *main* North American interests. Midhurst owns 61 per cent of Camco, the oil equipment and services group. Blackwell Land, the pistaccio and almond nuts company has maintained *profits comparable* with those for last year, but weaker nut prices and lower yields are expected to reduce the final year contribution.

Madame Tussaud's, which incorporates Chessington Zoo and *Warwick Castle, has been hit* both by reduced tourist numbers and the tail-end of an 18-month capital spending programme. The Marylebone Road headquarters of Tussaud's itself, however, maintained profits despite lower *attendances.*

The group's other interests include the Latour vineyards which made their usual "useful contribution," Mr Hare said. The newly-acquired Cedar Point amusement park in the U.S. has also made a first time contribution of about £½m.

Extraordinary items are down *to £292,000 from £8.3m last time* which had the benefit of the £7.8m sale of half the group's interest in Westpool Investment Trust. This year the remaining Westpool interest is represented by a £71,000 dividend included *in other interests.*

See Lex

Book publishing helps Pearson Longman

Profits at **Pearson Longman**, which is 63.6 per cent owned by S. Pearson, have improved by just under 6 per cent to 5.9m in the half year and the interim dividend has again been maintained.

The detailed figures show a sharp differentiation between the book publishing businesses, which have "done better," the *company says,* and the two newspaper groups where "trading conditions continue to be very difficult."

Penguin Books, which made a loss of £1.6m in the comparable period last year, lost £573,000 this time round, *which* director Mr R. P. West described as a "good performance." The first half is traditionally the weaker, so that the company is expecting a "substantial increase" over last year's full-year profits of *£242,000.*

Trade has "bucked up in the last month or so," Mr West says, and there *is a stronger* publishing programme. Although volume increases have only been marginal, price levels have been held up and the reorganisation "is showing results."

Longman, the educational book group which now includes the small Ladybird children's book publisher, did "better than expected." Pre-tax profits there rose by 38.6 per cent to £4.1m, despite a static UK market and the "near scandal" of school book buying cutbacks in the UK.

	First half 1981 £000	First half 1980 £000		First half 1981 £000	First half 1980 £000
Turnover	124,415	105,887	Pearson Longman	100	‡722
Financial Times	27,462	23,818	UK tax	182	633
Westminster Press	50,300	41,959	Overseas tax	1,177	519
Longman	*27,631	24,657	Minority losses	497	281
Penguin	19,199	15,851	Net attributable	5,035	4,700
Inter-company	177	198	Extraord. credits	348	209
Profit before tax	†6,897	5,571	Preference div.	11	11
Financial Times	994	1,427	Ordinary interim	1,546	1,546
Westminster Press	1,319	3,562	Retained	3,824	3,352
Longman	4,057	2,928			
Penguin loss	573	1,624			

* Includes Ladybird Books. † Includes associates. ‡ Loss.

Nearly 80 per cent of Long*man's sales come from abroad* where Nigeria and *Zimbabwe* were particularly profitable.

Westminster Press continues to be the hardest hit division. Pre-tax profits have slumped to £1.3m compared with £3.5m in the first half of last year, which was itself hit to the tune of about £5m by the labour dispute there.

Mr West explained that the results were particularly disappointing because they suggest a long term trend linked to the recession and the high level of unemployment. Job advertising was budgeted to be 40 per cent down on the strike-hit figures of *last year. In the event they* were 50 per cent of that depressed level, and other forms of advertising were also hit.

Volume also slipped; turnover reached £50.3m compared with £41.9m in the preceeding period when some £7m of revenue was lost.

Mr West did not think that *Westminster Press would turn* into losses for the full year, but he said that it might become a *user of group cash.*

The Financial Times group also showed a sharp decline of about a third in pre-tax profits to £994,000. Although advertising held up "pretty reasonably" in the first six months of the year, *Mr West said* that more recent indications have been patchy and occasionally "worryingly thin."

The costs of the Frankfurt publication were slightly better than budgeted for, but circulation targets had been slightly undershot. World Business Weekly was "losing money because advertising revenue was not good enough," Mr West said.

Overall margins had been "sharply squeezed" by all round cost increases, and the next period would have to absorb sub*stantially* higher newsprint costs. The benefits from the recent cover price rise would be felt in the last three months or so *of the year, but short-term it* would be offset by a £½m promotional budget.

See Lex

Mexico to launch £50m 'bulldog flexibond' with added sweetener

BY ALAN FRIEDMAN

THE GOVERNMENT of Mexico came to the domestic UK sterling bond market yesterday to launch a £50m "bulldog flexibond" through County Bank and five other British merchant banks.

The public issue matures in 2008, *but contains a special* sweetener in order to attract the attention of British institutions and other investors. Although *it is a long-term bond, investors* will have the option of redeeming at par from 1988 until maturity hence the term "flexibond."

The Mexican bond is the first sterling foreign bond to be sub-underwritten by UK institutions. A commission of ¾ per cent will be paid to the sub-underwriters out of total commission expenses of 1½ per cent.

Sr Jose Angel Gurria, director of foreign financing at the ministry of finance and public credit, yesterday gave three reasons why the Government of Mexico was *approaching* the domestic sterling market at this moment.

He said the bond was designed to make the name of Mexico better known to British investors and that it had not been possible to approach the UK market *in* the past because of exchange controls.

A *second reason for the issue* was Mexico's desire to diversify its currency borrowing in the debt portfolio of the country. The Government also wished to achieve a better balance between its fixed and floating rate loan *instruments.*

The Mexico bond is the first long-term bulldog issues to be available for public subscription and it will be quoted in the gilt-edged market in London. The issue will be priced on a *yield basis and the gross* redemption yield will be priced 150 basis points above the gross redemption yield on 13¼ per cent Treasury stock 2004-08 as at 3 o'clock tomorrow afternoon.

Had it been priced yesterday *morning the* rate of interest and issue price would have been 16 per cent and 96.785 respectively to yield 16.56 per cent. But yesterday's move by the Bank of England to raise short-term interest rates sent the Treasury Stock 2004-08 down a point to 88¼ (to yield 15.34 per cent). The Mexican coupon, were it *based on this level, would be up* to 16½ per cent at 96.6 to yield 16.84 per cent.

At County Bank, Mr David Stewart said this would not put the borrower off: "Borrowers who wait for interest rates to *fall wait for a long time.*"

Sr Gurria had earlier commented: "We are not trying to guess what the best time to enter the market is. You can't decide here because of your own peculiar system of queuing and the control of the Bank of England over the bulldog market."

As at March 31 Mexico's total long- and short-term external public sector debt was £16.1bn, of which only 0.5 per cent was in sterling borrowings.

Brokers to the issue are W. Greenwell and Rowe and Pitman.

SPAIN

September 11	Price %	+ or −
Banco Bilbao	384	
Banco Central	381	−3
Banco Exterior	415	−10
Banco Hispano	320	−6
Banco Ind. Cat.	119	
Banco Santander	385	−4
Banco Urquijo	240	
Banco Vizcaya	400	
Banco Zaragoza	276	−5
Dragados	200	−5
Espanola Zinc	75	
Fecsa	71.5	
Gal. Preciados	56	
Hidrola	82.2	−1.5
Iberduero	58.5	
Petroleos	120.5	−0.5
Petroliber	83	
Sogefisa	51	
Telefonica	88	−0.5
Union Elect.	78.2	−0.3

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$400	7	69 A	2	87 A	—	—	$452.50
GOLD C	$425	24	46	—	—	10	85 A	,,
GOLD C	$450	112	30	4	51 A	2	73 A	,,
GOLD C	$475	46	17.50	9	40	—	—	,,
GOLD C	$500	78	12 A	148	30	—	—	,,
GOLD C	$525	11	8 A	—	—	—	—	,,
GOLD C	$550	5	3.50	—	—	—	—	,,
GOLD P	$375	25	2.50	—	—	—	—	,,
GOLD P	$400	10	3	1	7	—	—	,,
GOLD P	$425	5	6	2	10	—	—	,,
GOLD P	$450	26	13	2	17 A	—	—	,,
GOLD P	$475	10	29	5	31	—	—	,,
		Oct.		Jan.		April		
ABN C	F.300	5	5.90	10	10.50	—	—	F.295
ABN C	F.320	—	—	5	5	—	—	,,
AKZO C	F.17.50	9	6.90	—	—	—	—	F.24.10
AKZO C	F.20	21	4.50	—	—	—	—	,,
AKZO C	F.22.50	36	2.20	104	3.50	—	—	,,
AKZO C	F.25	227	0.80	118	2.20	—	—	,,
AKZO C	F.27.50	—	—	102	1.10 B	5	1.60	,,
AKZO P	F.22.50	—	—	10	0.90	—	—	,,
AKZO P	F.25	6	1.40 A	—	—	—	—	,,
AMRO C	F.55	—	—	—	—	5	4.50	F.54.20
KODA C	$70	—	—	5	3½	—	—	$66⅞
HEIN C	F.45	10	6.50	—	—	—	—	F.51
HEIN C	F.60	—	—	110	2.20	—	—	,,
HOOG C	F.15	6	1.80	—	—	—	—	F.16.90
HOOG C	F.17.50	—	—	10	1.70	—	—	,,
HOOG C	F.20	—	—	30	0.80	—	—	,,
IBM C	$60	5	½	—	—	—	—	$55½
KLM C	F.90	6	13.50 A	—	—	—	—	F.100.50
KLM C	F.100	37	6.50	20	12	—	—	,,
KLM C	F.110	111	3.50	10	8	—	—	,,
KLM C	F.120	85	1.80	—	—	—	—	,,
KLM C	F.130	23	0.60 A	15	4	—	—	,,
KLM C	F.150	—	—	13	1.40	—	—	,,
KLM P	F.80	10	0.50	—	—	—	—	,,
KLM P	F.90	32	1.30	5	3.70	—	—	,,
KLM P	F.100	58	4.70	16	8	—	—	,,
KLM P	F.110	—	—	11	13 B	—	—	,,
NATN C	F.110	10	6	—	—	—	—	F.113.70
NATN C	F.115	—	—	10	5.70	—	—	,,
NATN C	F.120	5	0.60	—	—	—	—	,,
PHIL C	F.20	90	1.90	8	3.20	—	—	F.21.40
PHIL C	F.22.50	102	0.50	27	1.80	20	2.60	,,
PHIL C	F.25	—	—	432	0.90	119	1.50	,,
PHIL C	F.27.50	—	—	36	0.40 A	—	—	,,
PHIL P	F.20	5	0.10	—	—	25	1.10	,,
PHIL P	F.22.50	26	1.10	91	1.60	—	—	,,
POLA C	$30	10	½	—	—	—	—	$27
RD C	F.80	75	5	106	8	—	—	F.82
RD C	F.90	161	1.20	50	4.20	—	—	,,
RD C	F.100	231	0.50	57	1.80	—	—	,,
RD C	F.110	14	0.10	—	—	—	—	,,
RD P	F.80	135	1.60	30	3.50	11	6.80	,,
RD P	F.90	110	8.20	50	8.90 B	—	—	,,

TOTAL VOLUME IN CONTRACTS 4080

A=Asked B=Bid C=Call P=Put

Excalibur dives to £152,000

TAXABLE PROFITS for Excalibur Jewellery fell sharply from £1.05m to £152,315 for the year to April 30 1981 and the total net dividend is being reduced from 1.19p to 0.3p by a final of 0.1p, against 0.63p.

Turnover was down to *£4.41m* (£5.73m). There was a tax credit of £5,183 against a charge for last year of £566,356.

At the interim stage with pre-tax profits down from £476,778 to £164,866 the directors said the manufacturing side had been hit hard by the recession but they expected the company to weather the difficult period and to push ahead strongly when conditions improved.

The *group is engaged in* the manufacture and distribution of jewellery and watches.

Bridgewater Estates first half slide

First-half profits at **Bridgewater Estates** slipped back from £467,635 to £303,242 for the period ending June 30 1981. The interim dividend is maintained at 4.5p—*last* year's total *was* 16p.

The tax charge was lower at *£109,664 (£216,919) and profits* after tax were down to £193,578 (£250,716). Stated earnings per 50p ordinary share were lower at 7.16p (9.28p).

Rents and sundries produced higher income of £207,273 (£197,351) but trading and development income fell to £181,768 (£277,066) and investment income was reduced to £96,888 (£140,119).

Halfway lift for Scottish Cables

Scottish Cables, the 58 per cent-owned South African cable manufacturing *subsidiary of* BICC, increased its profit from R3.33m to R4.12m in the six months to June 30 1981.

The interim dividend is stepped up from 6.5 cents to 8 cents from earnings of 17.93 cents (14.59 cents) and earnings for the full year are forecast to be at least 36 cents.

For the whole of 1980 the company made pre-tax profits of R7.83m and paid a total dividend of 23 cents from earnings of 33.66 cents.

At the end of June the company had capital commitments of *R2.83m against R3.08m at the* end of 1980. The bulk of this expenditure is earmarked for projects to help the company keep abreast of technological developments and demand.

Merchants Trust holds interim payout

GROSS INCOME rose for the **Merchant's Trust** from £1.99m to £2.03m for the six months to July 31, 1981. The net interim dividend is the same again at 1.75p. Last year's total payment was 4.15p.

Net earnings for ordinary *shareholders were £1.1m* (£1.15m) after expenses of £283,264 (£143,547), tax of £628,719 (£676,573) and other costs.

Gross income for the last full year was £3.83m. For the first six months of the current year investment income rose to £1.97m (£1.88m). Deposit interest and underwriting commission, however was lower at £59,017 (£113,422).

Expenses for management rose to £105,592 (£100,921) and for loan interest they were up to £177,672 (£42,626).

Stated earnings per 25p share were 2.16p (2.26p) and net asset value was 145.7p (114.1p).

WINTERBOTTOM ENERGY TRUST

Net asset value per share of the **Winterbottom Energy Trust** at the close of business on September 10 was 79.2p after deduction of prior charges at par and 82p after deduction of prior charges at market value.

HIGHLIGHTS

Lex looks at the move in UK interest rates and the implications for the corporate sector and financial markets; gilt-edged, equities and foreign exchange. The column then moves on to comment on the Swedish devaluation and the poor economic background *preceding the economic move.* On the inside pages the executive directors of Illingworth Morris, subject to attack from major shareholder Mrs Pamela Mason, spell *out their defence* and ask for shareholder backing.

Capital injection for River Thames Insurance

THE AUTHORISED capital of River Thames Insurance Company, a wholly owned subsidiary of Sedgwick Group, the insurance broker, has been *increased* to £5m of which £2.5m is now paid up, increasing shareholders' funds in the company to £3.15m.

For the 1982 underwriting account, River Thames will become the leading company in the non-marine *underwriting* group of companies presently underwritten for by Regis Underwriting Agencies, another wholly owned subsidiary of Sedgwick Group. Regis is to become the subsidiary of River Thames and the administration of the two companies is to be merged.

The respective shares of the companies forming the non-marine underwriting group in 1982 will be as follows: River Thames 25 per cent; South British Insurance Company (part of New Zealand South British Group of Auckland, New Zealand South British Group of Auckland, New Zealand)—20 per cent; Sumitomo Marine and Fire Insurance Company (Europe)—20 per cent; Compagnie Europeenne d'Assurances Industrielles SA—12.5 per cent; New India Assurance Company 12.5 per cent.

Mercantile Mutual Insurance *(U.K.) will have a 10 per cent* share.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
C. D. Bramall ......int.	2.05	—	2.05	—	5.55
Bridgewater Ests. int.	4.5	Oct 30	4.5	—	16
Chambers and Fargus	1.5	—	1.25	2	1.5
Gripperrods	‡5.25	—	5.25	7.5	7.5
G.T. Japan Inv. Tst.	4	Nov 3	3	4.5	4
Low and Bonar ......int.	5	Nov 23	5	—	14.5
Merchants Trust ...int	1.75	Oct 22	1.75	—	4.15
Murray Glendevon	1.8	Nov 11	1.75	2.7	2.55
Murray Glendevon int.	0.9	—	0.9	—	2.7
S. Pearson ....int.	3.75	Nov 5	3.75	—	10.0
Pearson Longman int.	3.75	Nov 5	3.75	—	8.35
James Wilkes ......int.	1.5	Oct 30	1.5	—	4.13

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Gross throughout.

THE TRING HALL USM INDEX
124.5 (+0.7)
at close of business 14/9/81
BASE DATE 15/11/80 100
Tel: 01-248 5675

CORAL INDEX
Close 539-544 (—12)

OIL INDEX
December Refined $42.05
January Refined $42.55

UK COMPANY NEWS

Midway setback for Low & Bonar

ASLUMP in profits in its UK/Europe division and to a lesser extent in North America has hit the first half figures of Low and Bonar. But a "substantial improvement" is expected in the second half and with this in mind the directors are maintaining the interim dividend at 5p.

Sales of the group, which is engaged in packaging, engineering, textiles and travel, rose from £73.50m to £78.72m. On the profit side, however, UK/Europe fell from £1.62m to £274,000 and North America from £1.05m to £679,000, and interest and charges were up to £920,000 (£773,000). This led to an overall pre-tax profit of £1.7m, compared with £3.94m in the corresponding half year ended May 31, 1980.

The interim dividend will be payable on November 23 and loan stockholders exercising their conversion rights on November 1 will be able to participate. Earnings for the half year were 2.18p (15.11p) and fully diluted 2.13p (11.93p). For the full year ended November 30, 1980 group profit before tax came to £7.64m, from which a total dividend of 14.5p was paid.

In their report accompanying the half year figures the directors state that all the manufacturing companies within UK/Europe were severely affected by the recession and all returned lower earnings.

The mechanical engineering companies were the hardest hit and, in the case of Bonar Langley Alloys and Bonar Hugh Smith, aggregate losses of some £850,000 were incurred. Action has been taken, and will continue to be taken, to achieve the early elimination of these losses and to improve the future profit performance of the UK/Europe region.

To date two textile companies, G and J. Johnston (Wemyss) and Wemyss Weavecraft, have been sold while the polypropylene extrusion and weaving units of Bonar Textiles have been reorganised.

In the packaging division two merchanting businesses have been sold and negotiations begun for the disposal of the remaining merchanting businesses. In addition, James Nichols and Son, a paper bag manufacturing company, has been closed and production transferred to Bonar Bibby and Baron at Bury.

After tax £1.19m (£1.88m), minorities £201,000 (£383,000) and extraordinary credits of £537,000 (£130,000), the attributable profit for the period fell by almost £1m to £849,000.

The extraordinary item takes in the aggregate of losses on sale of assets, costs in respect of disposals, and a profit on the sale of an 80 per cent interest in London Hydraulic Power Company for £1.2m to a group of investors headed by N. M. Rothschild.

The exceptionally high charge for tax follows a write-off of ACT amounting to £298,000 in respect of the interim dividend.

Profit before interest was £2.62m (£4.72m). A divisional split in £000s shows: packaging £708 (£1,385); engineering loss £172 (£1,164 profit); textiles £1,842 (£2,167); travel £245 (nil). Geographically the analysis was: UK/7urope £274 (£1,622); North America £679 (£1,054); Africa £1,806 (£1,968); Pacific loss £138 (£72 profit).

● comment

Low and Bonar is undaunted by this 57 per cent slide in pre-tax profits and predicts a substantial improvement in the second half. However, loss-elimination activities at the UK mechanical engineering companies — involving some 200 redundancies—will produce extraordinary debits for the full year which should cancel out the £½m credit from the first half. At the same time, the engineering sector remains depressed and shows few signs of a swift recovery. Africa remains the sweetener, providing nearly 70 per cent of the trading profit, but even this contribution has weakened and trading conditions remain fickle. In the wake of its Canadian acquisition last year, the company has taken on about C$14m in medium and long-term loans which, thanks to record high interest rate, have doubled the group's income gearing to 35 per cent. The balance sheet is not overly stretched, however, and the group continues to invest in its UK activities, notably textiles where trading remains profitable. It does seem likely that the final dividend will be maintained, so that the shares down 3p to 193p have a prospective yield of more than 11 per cent.

Gold mine dividends please the market

A NOTEWORTHY feature of the reports on the June quarter from the South African gold producers was the way in which the weakness of the rand in terms of the U.S. dollar cushioned the mines against the worst effects of the lower gold price.

When this was allied to stringent control of the rate of increase in working costs, as with the mines in the Gencor group, the outcome was generally higher net profits, and this has been reflected in the latest dividend payments from the mines.

With an eye to the lower gold price, the market had scaled down its expectations from the mines, and was thus pleasantly surprised by the announcement of payments well up to the most optimistic forecasts.

Winkelhaak's final of 190 cents (110p) was above best expectations, as were the 86 cents from Kinross and the 25 cents from Leslie, both also finals.

The payments are compared in the accompanying table.

The Barlow Rand group's Harmony also topped all forecasts with an interim payment of 120 cents.

	1981 Sept cents	1981 March cents	1980 Sept cents
Bracken	30	30	47
Kinross	86	80	107
Leslie	25	29	31
St. Helena	280	330	418
Unisel	55	40	40
Winkelhaak	190	220	259

RMP holders urged to accept TCL

WITH THE fortunes of Rand Mines Properties (RMP) now clearly linked to the gold price and the property market in South Africa, shareholders would be well advised to accept the offer from Transvaal Consolidated Land (TCL), according to Mr Tony Petersen, TCL's chairman.

TCL is the 59.8 per cent-owned mining arm of South Africa's Barlow Rand group, while RMP is owned as to 60.1 per cent by the same group. The TCL offer is either a straight one for seven share exchange, or one for eight plus 105 cents (61p) in cash.

At yesterday's prices of £26 for TCL and 365p for RMP, the bid values the whole of the latter at around £45m.

Mr Petersen said that by accepting the offer, RMP holders could share in a variety of gold mining ventures, including the RMP dump retreatment programme, as well as the steadily rising profits from coal mining.

Coal mining profits are likely to rise, he added, as TCL is in line for further export allocations and new contracts with the state electricity authority Escom.

OFFER FOR RENONG TIN

HONG KONG'S Sparlstream Investments has offered a price of S$15.70 for each of the shares in Renong Tin Dredging it does not already own, valuing Renong at a total of S$22m (£5.6m).

Sparlstream is the company which earlier this month bought a 40.9 per cent stake in Renong from Straits Trading Company for S$9.38m.

Renong is an investment holding company with no remaining tin mining operations. In the year to June 30 1980, the last for which figures are available, the company made a net profit of S$287,140 and paid dividends totalling 8p.

MINING NEWS

Amax delays public float of Australian interests

BY GEORGE MILLING-STANLEY

THE RECENT weakness of the Australian share market, especially in the natural resource stocks, is one of the major factors behind the decision by Amax of the U.S. to defer the public flotation of a controlling interest in its Australian operations.

Mr Stanley Dempsey, chairman of the wholly-owned Amax Australian Ventures, said yesterday that the float would be postponed until "at least early 1982."

He added that the decision reflected the general difficulties facing mining companies and the low level of world economic activity, in addition to the depressed state of the stock market.

Earlier this year, Mr Dempsey announced that he would lodge a prospectus for the formation of a new company with the Australian Corporate Affairs Commission in mid-September. The new company, with 51 per cent Australian ownership, was expected to be in existence before the end of the year.

Amax has not released any details of its plans for the float, but it is widely expected to involve a two-stage call for a total of about A$500m (£315m). There must be some doubt as to the Australian market's enthusiasm for putting up such a sum in present conditions.

The company's principal operation in Australia is a 25 per cent stake in the Mount Newman iron ore joint venture in Western Australia's Pilbara region, one of the biggest iron ore mining operations in the world.

In addition, the company has interests in coal, at Boggabri in New South Wales where it is in partnership with BHP, and at Milmerran in Queensland, in a joint venture with Mitsui of Japan.

Beyond that, Amax is involved in several exploration projects, notably for oil and gas in Western Australia and elsewhere, and at the Golden Grove copper-zinc deposit, also in Western Australia.

In London this spring, Mr Arthur Reef, a senior vice president of Amax, said that the new company could become one of the leading natural resources concerns in Australia, with a market capitalisation "between A$600m and A$800m."

Amax regards Australia as a marvellous opportunity for investment, and Mr Reef added that the new company might be in a position to make up for the investment opportunities missed by Amax in the past 10 years.

BP may buy into Brazilian tin

TALKS CURRENTLY under way between BP and Brascan could lead to the British oil company combining with the Canadian natural resources group to develop tin deposits in Brazil.

The oil company is discussing the possibility of taking a 50 per cent stake in Brascan Recursos Naturais (BRN), a wholly-owned subsidiary of Brascan, reports Andrew Whitley in Rio de Janeiro.

BP confirmed in London yesterday that talks were going on, but was not prepared to give any indication as to the likely price for such a deal or the timing.

Brascan bought Cesbra, the company which now constitutes a major part of BRN, for some U.S.$33.5m (£18m) last year, and it was then merged with two smaller Brascan tin mining subsidiaries to form BRN. The total capitalisation of the three companies is cruzeiros 1.87bn (£10m).

Like many other multinationals, especially the major oil companies, BP has been taking an increasing interest in Brazilian minerals in recent years. However, BP is still lagging behind Shell in mineral exploitation and processing in the country. Shell has major aluminium operations, with plans to expand.

BRN ranks as Brazil's second biggest tin producer, with about 29 per cent of output. The company's mines at Rondonia, in the north-west corner of the country, produce between 2,000 and 2,500 tonnes a year.

Rondonia's reserves of cassiterite (tin ore) are estimated at about 150,000 tonnes. More important for the future, however, could be the unexploited tin deposits of the Carajas region in the Amazon.

BRN is also the largest shareholder in Brazil's biggest tin smelter at Volta Redonda, in Rio de Janeiro state. The smelter is capable of producing 7,000 tonnes a year, 40 per cent of the Brazilian total. It is currently working below capacity.

In a separate development, Brazil is reported from Tokyo to have made a formal request for Japanese loans amounting to $500m (£275m)

The Japanese Government has apparently shown a positive attitude to the request, but is waiting for the publication of a feasibility study by the World Bank, due later this month.

The project is now expected to cost more than $5bn, and Brazil is seeking outside finance for 30 per cent of this.

BASE LENDING RATES

Bank	Rate
A.B.N. Bank	12 %
Allied Irish Bank	12 %
American Express Bk.	12 %
Amro Bank	12 %
Henry Ansbacher	12 %
■ Arbuthnot Latham	12 %
Associates Cap. Corp.	12 %
Banco de Bilbao	12 %
BCCI	12 %
Bank of Cyprus	12 %
Bank of N.S.W.	12 %
Banque Belge Ltd.	12 %
Banque du Rhone et de la Tamise S.A.	12½%
Barclays Bank	12 %
Beneficial Trust Ltd.	13 %
Bremar Holdings Ltd.	13 %
Bristol & West Invests.	13 %
Brit. Bank of Mid.-East	12 %
■ Brown Shipley	13 %
Canada Perm't Trust	13 %
Cayzer Ltd.	12 %
Cedar Holdings	12 %
■ Charterhouse Japhet	13 %
Choulartons	12 %
Citibank Savings	¶13 %
Clydesdale Bank	12 %
C. E. Coates	12 %
Consolidated Credits	12 %
Co-operative Bank	*12 %
Corinthian Secs.	12 %
The Cyprus Popular Bk.	12 %
Duncan Lawrie	12 %
Eagil Trust	12 %
E. T. Trust Limited	12 %
First Nat. Fin. Corp.	15 %
First Nat. Secs. Ltd.	15 %
Robert Fraser	12 %
Antony Gibbs	12 %
Grindlays Bank	‡12 %
■ Guinness Mahon	12 %
■ Hambros Bank	12 %
Heritable & Gen. Trust	12 %
■ Hill Samuel	§12 %
C. Hoare & Co.	†12 %
Hongkong & Shanghai	12 %
Knowsley & Co. Ltd.	12½%
Langris Trust Ltd.	12 %
Lloyds Bank	12 %
Mallinhall Limited	12 %
Edward Manson & Co.	13 %
Midland Bank	12 %
■ Samuel Montagu	12 %
■ Morgan Grenfell	13 %
National Westminster	12 %
Norwich General Trust	12 %
P. S. Refson & Co.	12 %
Slavenburg's Bank	12 %
E. S. Schwab	13 %
Standard Chartered	‖12 %
Trade Dev. Bank	12 %
Trustee Savings Bank	12 %
TCB Ltd.	12 %
United Bank of Kuwait	12 %
Whiteaway Laidlaw	12½%
Williams & Glyn's	12 %
Wintrust Secs. Ltd.	12 %
Yorkshire Bank	12 %

■ Members of the Accepting Houses Committee.

* 7-day deposits 9%, 1-month 9¾%. Short term £4,000/12 months 11.85%.

† 7-day deposits on sums of £10,000 and under 9%, up to £50,000 10% and over £50,000 11%.

‡ Call deposits £1,000 and over 9%.

§ Demand deposits 9½%.

‖ 21-day deposits over £1,000 10½%.

¶ Mortgage base rate.

PEARSON LONGMAN

LONGMAN · PENGUIN · FINANCIAL TIMES · WESTMINSTER PRESS · GOLDCREST FILMS & TELEVISION

Results for half year to 30th June 1981 (unaudited)	1981 Half year	1980 Half year
Turnover	£124.4m	£105.9m
Profit before tax	£5.9m	£5.6m
Profit after tax	£4.5m	£4.4m
Earnings per ordinary share	12.2p	11.4p

Pearson Longman profits for the first six months were slightly ahead of last year, but trading conditions continue to be very difficult for our two newspaper businesses.

The book companies have done better. Longman improved its profits by more than one third. The very healthy state of its business in Africa and the Arab world more than compensated for a deterioration of its United Kingdom markets caused by educational and other public expenditure cuts. Penguin has reduced by more than £1 million the substantial loss incurred in the first six months of last year: the first half year is traditionally its weak trading period. The new publishing approach is showing results.

The Westminster Press performance reflects the inevitable damage caused by an almost total collapse in its job advertising market. The Financial Times newspaper is still suffering from excessive manpower costs, and a major programme to reduce these has been announced.

At the end of June we announced new initiatives in the visual media. The acquisition of a 25 per cent interest in Yorkshire Television will take effect on 1st January 1982 and we have formed a new holding company, Goldcrest Films and Television, to expand the scale and scope of our film and television production interests. In addition, Longman has launched a new line of educational video products.

Any significant improvement in the second six months to December 1981 compared with the same period last year will depend on the performance of the newspaper businesses.

The directors have declared an interim dividend on the ordinary share capital of 3.75p per share, the same as last year. This dividend will be paid on 5th November 1981 to shareholders on the register of members on 8th October 1981.

A copy of the full announcement is available from the Secretary.
Pearson Longman plc, Millbank Tower, Millbank, London SW1P 4QZ. Telephone: 01-828 9020.

BANQUE NATIONALE DE PARIS IN CANADA

In accordance with the new banking legislation recently passed by the Canadian Parliament, a Federal Charter has been granted to eleven foreign banks which will thus be allowed to offer complete banking services comparable to those of the large Canadian commercial banks.

BANQUE NATIONALE DE PARIS (Canada), a subsidiary of the BNP Group, is the only French bank on this list of new chartered banks. The Canadian government acknowledges thereby the leading role played by BNP Canada in the foreign banking community, which will certainly expand in this country.

It must be remembered that BNP was one of the first foreign banks to show interest in Canada, having established in Montreal, as early as 1961, the Head Office of its subsidiary (a financial institution with a provincial charter. Since then BNP has extended its network to Quebec, Toronto (Ontario), Vancouver (British Columbia) Edmonton and Calgary (Alberta). Moreover, it will soon be opening in Halifax (Nova Scotia).

Next December BNP Canada will inaugurate in Montreal the "BNP TOWER" which will house its Head Office.

C. D. Bramall

MAIN DEALERS

★ **Half year pre-tax profit exceeds £1 million**

★ **Satisfactory result expected for full year**

"New vehicle sales for August were a record in any one month but there is no sign of an improvement in the underlying trend of order intake, particularly in commercial vehicle sales.

"With spread of activities I am confident Group will produce satisfactory results for the full year."

Tony Bramall, Chairman

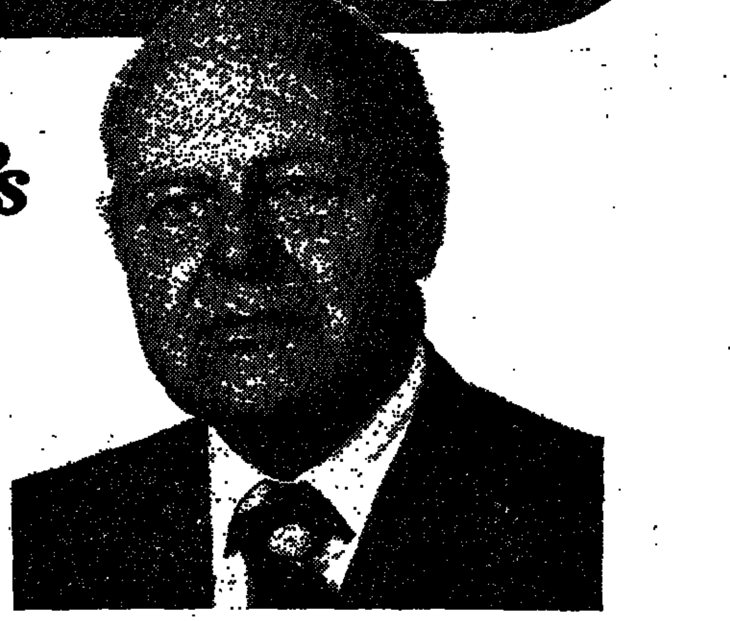
Interim Results (Unaudited)	Six months ended 30.6.81 £000's	Six months ended 30.6.80 £000's	Year ended 31.12.80 £000's
Turnover	22,561	16,522	30,815
Profit before tax	1,047	918	1,673
Profit after tax	595	882	1,287
Dividend per share, net	2.05p	2.05p	5.55p

Interim report available from:
The Secretary, C. D. Bramall Ltd.
146/148 Tong Street, Bradford BD4 9PR

DOWTY

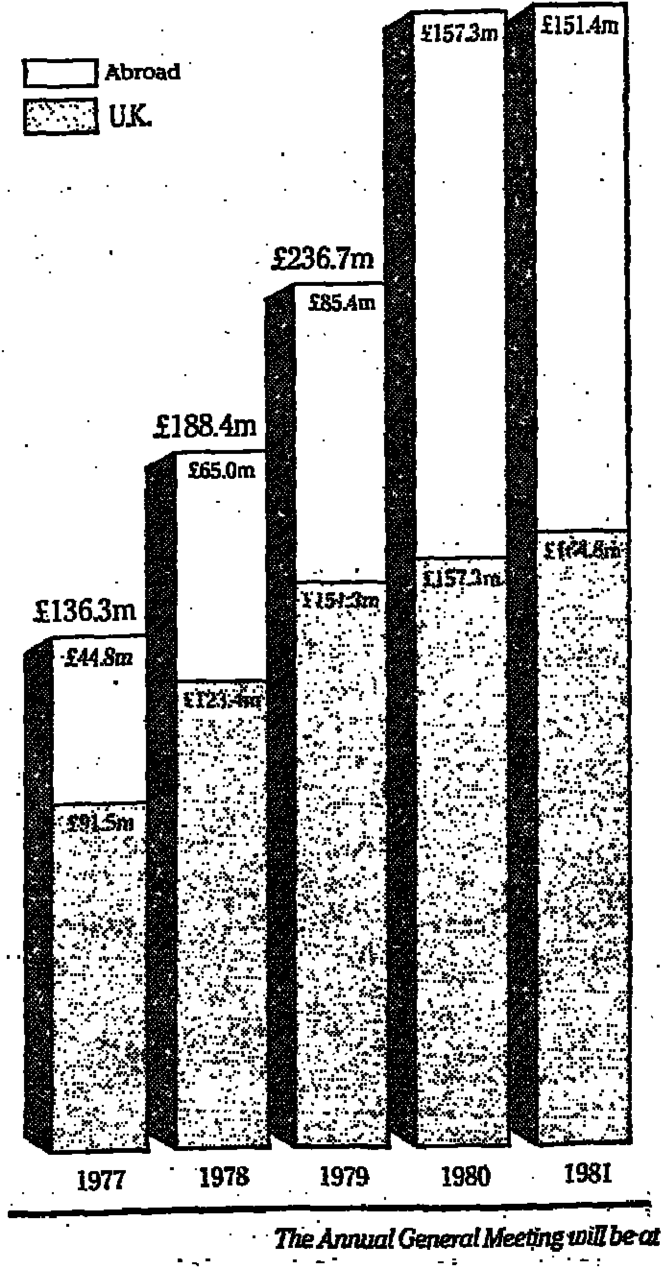
ANNIVERSARY 50 1931-1981

"The diversity of our Group's high technology products, particularly overseas, has insulated us from the worst effects of recession."



Sir Robert Hunt, C.B.E., Chairman and Chief Executive

Dowty's Export-led Growth Over 5 Years



Under the prevailing circumstances the Group's performance may be considered satisfactory. The previous year's major gain in turnover was held.

The total dividend is increased to 5p and a one-for-two scrip issue is proposed.

We expect to improve our position during the current year. *Aerospace & Defence* has excellent prospects long term. *Electronics* maintains steady progress and *Mining* export orders are at a healthy level, particularly in the US. There are positive signs of the beginnings of an upturn in demand for our *Industrial* products.

Results in Brief	1980/81	1979/80
Turnover	£316.2m	£314.6m
Profit before tax	£36.2m	£37.9m
Earnings per share	20.4p	25.7p
Dividends per share	5.0p	4.5p
Times covered by profit after tax	4.1	5.7

Copies of the 1980/81 Chairman's Statement with the Report and Accounts available from:
The Secretary, Dowty Group,
Cheltenham, Gloucestershire.

1981 Mining Division

1980 Mining Division

1980 Aerospace & Defence Division

The Annual General Meeting will be at the registered office, Arle Court, Cheltenham, on Thursday, 1st October at 11.00 a.m.

UK COMPANY NEWS

COWAN, de GROOT LIMITED

Extracts from the Chairman's Statement for the year ended 30th April 1981

Trading conditions are the worst we have experienced in post-war times.

Whilst the level of last year's turnover has almost been maintained, operating costs, many of which cannot be trimmed in the short term, have continued to rise.

We maintained the dividend of 3.5p per share. The net pretax profit was £927,000 compared with £2.57m. Turnover was £42.0m against £44.1m last year. Net assets remain unchanged at 73.3p per share.

Our finances remain sound. Trading conditions are still far from easy, but we are continuing to make every effort to improve profitability. The recession sets problems not previously encountered, but we remain optimistic about the longer term future. Certainly when there is an upturn in the economy, we will be well placed to take full advantage of it and fully intend to do so.

Derrick Cowan, *Chairman.*

FOUR DIVISIONS — TOYS AND GIFTWARE PRODUCERS — ELECTRICAL and HARDWARE WHOLESALERS — MACHINERY IMPORTERS — RUSSIAN SHOP.
COWAN, de GROOT LIMITED, 11 JOHN STREET, LONDON WC1N 2EG.

Keppel Shipyard Limited

U.S.$25,000,000
9 per cent Bonds 1983

NOTICE IS HEREBY GIVEN to all bondholders of the above-captioned issue that:

For the purchase year ended 15th August 1981, the aggregate principal amount of Bonds arising from purchases made pursuant to Clause 5(c) of the Conditions of the Bonds and from acceptance of Bonds surrendered pursuant to the Purchase Agency Agreement is U.S.$961,000.

THE DEVELOPMENT BANK OF
SINGAPORE LIMITED

15th September 1981

NOTICE — SEMI-ANNUAL REPORT OF SANDVIK AKTIEBOLAG, Sweden

NOTICE IS HEREBY GIVEN that copies of the Semi-Annual Report of Sandvik Aktiebolag covering the first half of the 1981 activities will be available — from September 15th — at the office of Credit Suisse First Boston Ltd, 22 Bishopsgate, London EC2N 4BQ.

The Board of Directors

SANDVIK

Illingworth predicts profit and return to dividend list

A FORECAST of £1.2m pre-tax profits and a return to the dividend list for 1981-82 is given by *Illingworth Morris*, the Yorkshire wool textile group, in a circular to shareholders calling for support for the *group's two* UK executives threatened with dismissal.

Mrs Pamela Mason, the group's largest shareholder with control *over 46 per cent of the* votes, has called a special shareholders' meeting for October 1 to remove *Mr* Donald Hanson, the executive chairman, and Mr Peter Hardy, joint-chief executive, from the board.

Immediately following this meeting the UK directors are to put their own two resolutions calling for the removal from the *board of Mrs Mason* and her son Morgan.

In their circular the directors say that as a result of the "modestly improving trading environment, coupled with the benefit of our reorganisation" profits in the first quarter of the current year amount to some £277,000.

They say that it is early in the year to *make a forecast and* that, at the present level of activity, small fluctuation, particularly in sales, can have an exaggerated effect on profits.

However, subject to unforeseen circumstances and provided that Mrs Mason's proposals are defeated and *no further* disruption to the management and operations of the company are caused by her, the directors expect profits to of the order *of £1.2m* before tax compared with a loss of £2.4m in 1980-81. On this basis a dividend of 1p net is forecast.

In a letter Mr Hansen says that "during their time on the board" neither Mrs Mason *nor* her son have contributed positively to any *significant* aspect of the running of your company and overall their influence has been detrimetnal." The UK directors have concluded that Mrs *Mason and her son are "unsuitable* as directors of the company."

Mr Hanson points out that the UK directors have the support of all the operating unit managing directors and the major trade unions involved as well as the company's bankers.

At the same time "certain relations of Mrs Mason, who have an interest in the shares she presently controls, are so opposed to the way she is using that *control that they are taking legal* action to restrain her," he says.

At the beginning of September the group's advisers, Hill Samuel and Co, made an offer for the shares under Mrs Mason's control. These would have been subsequently placed with a number of major UK institutions. *However, Mrs Mason has not* accepted the offer which has now been withdrawn.

The directors say that since her appointment Mrs Mason's involvement with the company has been intermittent, attending few board meetings. They also *consider her suggested solutions* to the group's problems "short sighted and short term."

The directors refer to the promotion by Mrs Mason of the manufacture of carpets in Nevada and the acquisition of a company engaged in contract knitting in Pennsylvania—both areas which the group had no experience in.

They say that Mrs Mason's "*unpredictability has made the* task of managing the business difficult. Overall, she has acted as if she were the sole owner of your company and has confused her responsibilities as a director with her rights as a stockholder."

Of Morgan Mason the circular *comments:* "*As a director* he has contributed little to the prosperity of the company and his commitment to it has fallen far short of what could reasonably be expected, even from a non-executive director."

Proxy votes win seats on Laundry board

DESPITE OPPOSITION by the *directors of Wolverhampton* Steam Laundry, two major shareholders Mr W. S. Hersham and Mr J. A. Tongue were elected to the board at yesterday's AGM.

Mr John Nash, the chairman, said that "although the circumstances of their involvement *with the company* were unsatisfactory," he did not propose to comment further at this stage.

Mr Hersham and Mr Tongue were elected to the board after depositing 16 proxies representing more than 50 per cent of the company's issued capital.

In the group's annual report issued last month Mr Nash said: "If they are elected, Mr Thomas Watson (another director on the board) and myself, as the non-executive directors, would seriously have to consider whether to resign as it un*doubtedly would be difficult for* us to serve on the board with them."

Harris & Sheldon buy out approved

The comlex buy out of Harris and Sheldon by Otis Elevators and the management of H and S should be complete by the end of October.

Yesterday the scheme of arrangements won shareholders' approval after several polls at a special meeting, and the Office of Fair Trading said last night it would not refer the Otis aspect to the Monopolies Commission.

There had been considerable dissatisfaction expressed by shareholders last week at the terms of the management buy out of *the non-lift businesses (Otis is taking over the lift side)*, because shareholders were not offered an opportunity to participate in the new company.

However, following meetings between institutional shareholders and the independent directors, the *institutions said* they were satisfied that no alternative to the scheme could be presented.

As a result most of the institutions voted in favour of the resolutions yesterday, and each of the three polls showed more than 90 per cent in favour.

At least one insurance company and a pension fund with a small holding voted against, together with between 60 and 80 other *shareholders according* to each poll. Total votes against, however, did not amount to more than 7 per cent of those cast.

No questions were asked of the independent directors, headed by Mr Howard Guinnes, who was in the chair at the 1½-hour meeting.

HOLDING FINANCIER

Holding Financier Intl. S.A. has competed the purchase of HF by a group of institutions and investors led by Mr Guy Naggar and Mr H. E. Magnenat.

HF's *subsidiaries include* Banque Keyser Ullmann en Suisse SA in Geneva and Banque Keyser Ullmann France in Paris.

As previously announced, the RIT Group has bought a 35 per cent holding and First City Financial Corporation has bought *10 per cent.*

HF has in turn bought Dawnay Day and Company, a London licensed deposit taking institution. Mr G. A. Naggar has been appointed chairman of Dawnay Day and Company. Mr J. R. Brown and Mr G. Lawson have become non-executive directors.

DURAPIPE EGM ADJOURNED

Durapipe International announced that the EGM convened for yesterday was adjourned.

SHARE STAKES

Weir Group—On September 4 Dr G. A. Weir *sold* 200,000 Ordinary, he now holds 54,850 ordinary beneficial and 626,000 ordinary non-beneficial.

Rowton Hotels—Gresham House Estate Company *with subsidiary* Security Change are interested in 608,000 ordinary shares (16,007 per cent).

London Sumatra Plantations—Harrisons and Crosfield is now interested in a further 112,652 shares, giving a *total* interest as *at September 14 1981 in 15,616,361* shares (98.02 per cent).

Glasgow Pavilion—Hill Woolgar and Co. on September 3 acquired a holding of 110,441 ordinary shares (9.195 per cent).

Aberdeen Trust—Airways Pension Fund Trustees has acquired 368,750 shares making holding 2,772,067 shares (8.31 per cent).

IN BRIEF

M.L. HOLDINGS (manufacturing engineer)—Results for year ended March 31 1981 and prospects reported August 26. *Shareholders' funds £8.88m* (£4.91m). Fixed assets £3.63m (£1.81m): current assets £11.23m (£9.03m), including stock and work in progress £6.3m (£4.88m); net current assets £5.67m (£3.77m). Increase in working capital £2.01m (£100,594). *Historical* pre-tax profit £1.14m (£1.03m) *reduced* to £902,763 on CCA *basis.* Contracts received both from British *Aerospace* and *India for company's* weapon carriage and release equipments for Jaguars are "very substantial." Meeting: Great Eastern Hotel, Liverpool Street, EC, October 2, noon.

CITY OF LONDON BREWERY AND INVESTMENT TRUST (investment trust) —*Results for year to June 30, 1981* reported August 8. Funds employed £55.35m (£48.62m); investments £53.97m (£47.91m); current assets £2.34m (£2.17m): current liabilities £1.02m (£1.51m). Proposal to change name to The City of London Trust "to remove misleading association with breweries." Meeting: Puddle Dock, EC, October 1, 2.30 pm.

STEWART NAIRN GROUP (manufacturer and distributor of hosiery and knitwear) — Results for the year to March 31 reported September 4. Shareholders' funds £403,001 (£589,635). Net current assets £119,838 (£287,291). Decrease in working capital £168,348 (£42,402). *Bank loans and overdraft* (secured) £222,468 (£298,605). Meeting, Hinckley, Leicestershire, October 6, *12.15 pm.*

ROSEDIMOND INVESTMENT TRUST—Interim dividend 3.1p net (3.5p) for six months to July 31 1981. Gross revenue £310,749 (£340,201). Net revenue (after *providing* for expenses and estimated taxation) £184,146 *(£208,481). Balance brought forward* £4,334 (£2,552). Earnings per 25p Income Share 3.07p (3.48p). Net asset value per 25p Capital Share 185.8p (162.1p).

MOUNTLEIGH GROUP (worsted manufacturer, property investment and *development)—Pre-tax profit for year* ended April 30 1981 £378,000 (£453,000) —comprising property development £415,000 (£582,000), property rentals £150,000 (£26,000), worsted manufacturing £187,000 loss (£135,000 loss). Tax £52,000 (nil). Turnover £6.06m (£5.18m). *Stated earnings per 25p* share 8.12p (11.3p). Final dividend 2.5p, making 3.6p net (single 3p). *Assets per share* [illegible] (83p). Chairman says results for current year will show significant increase in development profit and group can look forward to further growth in rental income.

HIGHCROFT INVESTMENT TRUST—Pre-tax profit for half year to June 30 1981 £99,624 (£84,725). Tax £45,700 (£39,000), leaving attributable profit £53,924 (£45,725). Stated earnings per 25p share 1.96p (1.83p). Interim dividend 1.15p net (1p).

BIDS AND DEALS

Lincroft Kilgour calls off merchanting sale

PLANS BY *Lincroft Kilgour to* sell its cloth merchanting division have been abandoned and dealings in the group's shares were resumed yesterday after a two month suspension.

Following the suspension in July the group announced that negotiations with an unnamed buyer were continuing for the sale of the merchanting business *which* accounted for about 70 per cent of group turnover.

Lincroft, which is also engaged in menswear *manufacture,* said yesterday that "it has not been possible to conclude an agreement" for the sale of the merchanting business, and the discussions had been discontinued.

Mr Tony Holland, the Lincroft chairman, said that "it did not prove possible to reach agreement with the party involved."

Commenting on current trading, Mr Holland said that all parts of the group were trading profitably.

The ordinary shares closed at 28p yesterday compared with a 34p suspension price.

Westbrick talks break down

TALKS BETWEEN Westbrick Products and an unnamed bidder broke *down yesterday,* leaving C. H. Beazer as the only suitor for Westbrick. Beazer's offer — of two Beazer shares *plus £2* in cash for every five Westbrick shares — values Westbrick at £3.9m, 91.2p a share.

The Westbrick board has *written to the shareholders* explaining their regret at the failure of their alternative negotiations. The letter states that it is in the interests of Westbrick to clarify the "prolonged and unsatisfactory situation" which has arisen from Beazer's un*welcome approach.*

The board and its advisers, Charterhouse Japhet, are of the opinion that Beazer's revised offer — 12p a share higher than its original offer — is fair. They do not believe that it fully reflects Westbrick's recovery *prospects, but think* it unlikely that the Westbrick share price will exceed the value of Beazer's cash and share offer in the shorter term.

Accordingly, the directors do intend to accept the offer in respect of their own holdings in *Westbrick (1.64 per cent of the* equity), and they leave it to shareholders' judgment whether to "take the immediate financial benefits of acceptance or to reject *the offer.*"

Mr Brian Beazer, managing director of Beazer, said yesterday, that in entertaining an alternative offer Westbrick had "effetcively admitted that their future is with a larger group." Moreover, it now appeared that *Westbrick was admitting that the* offer was fair: "So I would hope that the acceptances will now roll in."

Westbrick shares closed 4p *lower, at 88p.*

SEA TANK PULLS OUT OF MCALPINE FIRM

SEA Tank Company, Paris, will end its association with Sir Robert McAlpine and Sons in McAlpine Sea Tank. This is because Sea Tank Company has joined its offshore interests with C. G. *Doris* of France, which is already involved in the offshore construction indusrry through Howard-Doris.

Sir Robert McAlpine and Sons *will acquire the whole of* McAlpine Sea Tank, with a consequent change of name.

BOARD MEETINGS

The following companies have notified dates of board meetings to the *Stock Exchange.* Such meetings are usually held for the purpose of considering dividends. Official indications *are not available as to whether* dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interms: Barrow Hepburn, Barton, British Aerospace, Horace Cory, Croda International, Expanded Metal, KCA Drilling, Bernard Matthews, George Spencer, Travis and Arnold, Willis Faber.

Finals: Consolidated Gold Fields, Elder Smith Goldsbrough Mort, Fletcher Challenge, Samuel Heath, London Merchant Securities, Ricardo Consulting Engineers.

FUTURE DATES

Interims—	
Brixton Estate	Sept 22
Cakebread, Robey	Sept 21
Farmer (S. W.)	Oct 13
Garton Engineering	Sept 18
Haden	Sept 24
Laporte Industries	Sept 22
Lyle Shipping	Oct 2
New Equipment	Sept 17
Owen Owen	Sept 24
Pittard	Sept 21
Rugby Portland Cement	Oct 5
Sykes (Henry)	Sept 23
Tootal	Sept 23
Wadkin	Sept 22
Finals—	
Armstrong Equipment	Sept 23
Dixon (David)	Sept 18
Goodman Bros and Stockman	Sept 18
Link House Publications	Sept 28
Second City Properties	Sept 21
Tor Investment Trust	Sept 21
Walker (Thomas)	Sept 18

LONDON TRADED OPTIONS

Sept. 14. Total Contracts 1152. Calls 1040. Puts 92

		Oct.		Jan.		April		
Option	Ex'rcise price	Closing offer	Vol.	Closing offer	Vol.	Closing offer	Vol.	Equity close
BP (c)	280	26	20	40	—	52	—	300p
BP (c)	300	11	1	26	10	38	—	"
BP (c)	350	2	—	6	25	—	—	"
BP (p)	300	11	—	20	1	28	—	"
BP (p)	360	—	—	—	—	66	25	"
Cons. Gld (c)	500	40	2	65	5	78	—	528p
Cons. Gld (c)	550	14	35	38	—	43	—	"
Court'lds (c)	60	3½	10	8	24	11	—	61p
Gr'd Met. (c)	180	13	60	25	—	30	—	187p
Gr'd Met. (c)	200	4	—	14	10	18	—	"
Gr'd Met. (p)	200	18	—	22	—	24	2	"
ICI (c)	260	20	14	34	—	42	2	274p
ICI (c)	280	8	55	24	14	32	2	"
ICI (c)	300	2½	36	13	89	18	5	"
ICI (p)	260	7	—	12	2	17	—	"
ICI (p)	280	14	—	19	3	26	—	"
ICI (p)	300	30	18	36	—	48	1	"
Land Sec. (c)	312	14	5	23	—	—	—	317p
Mks & Sp (c)	140	3	24	8½	2	15	—	135p
Shell (c)	360	20	—	38	4	48	—	374p
Shell (c)	390	8	5	20	31	32	—	"
Shell (c)	420	3	6	10	1	21	—	"
Shell (p)	360	9	—	13	1	18	—	"
Shell (p)	390	24	—	28	5	34	1	"
		November		February		May		
Barclays (c)	460	20	10	38	—	45	—	450p
Imperial (c)	60	4	52	7½	45	9	5	61p
Imperial (c)	70	1	—	2½	153	4½	—	"
Imperial (c)	80	½	—	1	10	—	—	"
Lasmo (c)	500	40	18	65	—	80	—	502p
Lasmo (c)	550	25	5	42	7	57	—	"
Lasmo (c)	600	12	32	25	2	35	—	"
Lasmo (c)	650	5	4	10	8	—	—	"
Lonrho (c)	80	8	5	13	—	14½	6	86p
Lonrho (c)	90	3	—	6½	—	8	1	"
Lonrho (c)	100	1	50	3	—	—	—	"
Lonrho (p)	90	6	—	8	—	11	7	"
P & O (c)	120	4	18	7½	—	10½	—	116p
Racal (c)	420	45	10	67	—	83	—	446p
Racal (c)	460	23	54	43	7	58	—	"
Racal (c)	500	6	5	25	—	38	—	"
Racal (p)	420	12	25	18	—	23	—	"
Racal (p)	460	23	2	30	—	42	—	"
RTZ (c)	550	27	19	60	—	77	—	519p
RTZ (c)	600	18	4	37	5	50	—	"
RTZ (c)	650	8	—	19	2	—	—	"

C=Call P=Put

COMPANY NOTICES

CANON INC.

NOTICE OF CONVOCATION

EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

ADVICE *has been received from Tokyo* that an Extraordinary General Meeting of Shareholders of the Company will be held at its Head Office Conference Room at 30-2 Shimomaruko 3-Chome, Ohta-Ku, Tokyo 144, at 9.00 a.m. on Tuesday 29th September 1981.

The proposition to be considered at the General Meeting requires the presence of holders of a *majority* of the outstanding shares.

Matters Constituting the objects of the Meeting:

Proposition: Approval of the Merger Agreement between the Company and Tochigi Canon Inc. (an outline of this proposition is as set forth below).

OUTLINE OF PROPOSITION

Proposition: Approval of the merger agreement between the Company and Tochigi Canon Inc.

This is to seek your approval of the following merger agreement made between the Company and Tochigi Canon Inc., a *wholly-owned subsidiary of the Company.*

MERGER AGREEMENT (COPY)

Canon Inc. (hereinafter referred to as "A") and Tochigi Canon Inc. (hereinafter referred to as "B") hereby enter into this agreement concerning a merger as follows:

Article 1.
A and B shall effect a merger between them, whereupon A shall continue in existence and B shall be dissolved.

Article 2.
A owns all of the shares in B and therefore A shall issue no new shares and make no increase in its capital upon the merger.

Article 3.
Of the amount of surplus resulting from the merger, A shall retain as capital reserve an amount equal to B's capital reserve, as reserve out of profit an amount equal to B's reserve out of profit and as *voluntary reserve and other retained earnings* an amount equal to B's voluntary reserve and other retained earnings.

Article 4.
The merger date shall be January 1, 1982, provided, however, *that* such date may be altered by mutual consultation between A and B if it is necessary according to the progress of the merger *procedure.*

Article 5.
B shall turn over to A, on the merger date, all of its assets, liabilities and rights and obligations based on its balance sheets as of *June 30, 1981 and its other accounts* as of that date.

With respect to the changes in its assets and liabilities during the period from July 1, 1981 to the merger date, B shall indicate clearly to A the particulars of such changes by submitting its separate statement.

Article 6.
After the execution of this agreement up to the merger date, A and B shall conduct their business and administer their property with the care expected of a good administrator and in case of any act *materially affecting their property, rights* or obligations, they shall perform such act upon prior mutual consultation between A and B.

Article 7.
A shall employ *continuously* B's employees as A's employees on the merger date, provided however, that the details of such matter shall be determined *separately* by mutual consultation between A and B.

Article 8.
If a material change occurs in the property or operating conditions of A or B, *due to acts of God or any other causes,* at any time from the date of execution of this agreement to the merger date, the terms of merger may be altered or this agreement may be terminated, by mutual consultation *between A and B.*

Article 9.
The date of a general meeting of shareholders to be convened by A and B to seek the approval of this agreement and obtain the resolutions on matters *necessary* for the merger shall be September 29, 1981, in the case of A, September 28, 1981, in the case of B, provided, however, that such date of a general meeting of shareholders may be altered by mutual consultation between A and B, if unavoidable circumstances arise.

Article 10.
This agreement shall become effective when approved by the respective general meetings of shareholders of A and B mentioned in the preceding article, provided, however, that this agreement shall *become null and void if the approval of* any government agency required by any law or ordinance is not obtained.

Article 11.
Any matter necessary for the merger, other than the matters provided for in this agreement, shall be determined by mutual consultation between A and B in accordance with the intent of this agreement.

IN WITNESS WHEREOF, this agreement has been executed in duplicate, A and B each retaining one copy this 10th day of September 1981.

A: 30-2, Shimomaruko 3-Chome,
Ohta-Ku, Tokyo
Canon Inc.
By Ryuzaburo Kaku,
President and Representative Director.

B: 39, Sendo, Kanuma,
Tochigi Prefecture
Tochigi Canon Inc.
By Ryoichiro Yamagata,
President and Representative Director.

REFERENTIAL INFORMATION ON SOLICITATION TO EXERCISE VOTING RIGHTS BY PROXY

1. *Party soliciting exercise of voting rights by proxy:*
   Takeshi Mitarai
   Chairman of the Board of Directors and Representative Director
   Canon Inc.
2. Referential information on the proposition:
   Proposition: Approval of the merger agreement between the Company and Tochigi Canon Inc.

(1) *PURPORT OF THE MERGER:*

A general view of the recent economic situation is that while violent changes in industrial structure and intensified com*petition among businesses are going on* at home under the circumstances in which no rapid growth can be expected any longer, there are a mountain of problems, such as international currency fluctuations, trade frictions, etc., *abroad* which do not permit of any prediction. At this time of such ordeal, we are carrying out every vital measure to further strengthen our production, development, sales and other organisations by establishing a firm operating base for us as an international business.

Now as one of such measures, we *have determined to merge Tochigi Canon* Inc. into us. That Company has so far been playing an important part as one of our production arms in the form of an independent corporation. It is *now proposed that the Company be* merged into us as of January 1, 1982 in furtherance of unification and rationalisation of our business operations.

Organised as Taihei Kogaku Kogyo Kabushiki Kaisha on December 9, 1946, Tochigi Canon Inc. became affiliated with us when we made capital participation in it on August 30, 1962 and has since *been engaged in the production of* interchangeable lenses, pentaprisms, etc. It became our wholly-owned subsidiary on March 8, 1968 and changed its corporate name to the present one on September 29, 1969.

We request that you shareholders will please approve of the purport stated above and vote for the proposed merger.

It is to be added that since we own all of the shares of the merged Company, there will be no issue of new shares and no increase in our capital.

(2) CONTENTS OF THE MERGER AGREEMENT:

As set forth in the outline of proposition contained in the Notice of Convocation of the Extraordinary General Meeting (Pages 2 and 3).

Holders of DEPOSITARY RECEIPTS TO BEARER (EDR's & BDR's) wishing to exercise their voting rights in respect of the Shares represented by the Receipts *held by them are reminded* that, in accordance with Clause 8 of the Conditions, they must lodge their Receipts with Hill Samuel & Co. Limited by 3 p.m. 22nd September 1981, or with one of *the Sub-Agents by 3 p.m. 21st September* 1981, where lodgement forms are available.

Copies of the full text of the Notice convening the meeting are available, if *required,* from:

HILL SAMUEL & CO. LIMITED,
45, BEECH STREET,
LONDON EC2P 2LX.

WESTERN MINING CORPORATION LIMITED

9% U.S.$ BONDS 1992

S. G. WARBURG & CO. LTD., announce that the redemption instalment of Bonds, due 15th October, 1981 for a nominal value of U.S.$3,125,000 has been met by purchases in the market.

U.S.$43,750,000 nominal amount of Bonds will remain outstanding after 15th October, 1981.

30, Gresham Street,
London, EC2P 2EB.

15th September, 1981

AKTIEBOLAGET SVENSK EXPORTKREDIT
(Swedish Export Credit Corporation).

U.S.$7¾% NOTES 1983

S. G. WARBURG & CO. LTD. announce that the redemption instal*ment of Bonds due* 15th October, 1981, for a nominal value of U.S.$1,800,000 has been met by purchases in the market.

U.S.$7,000,000 *nominal amount of* Bonds will remain outstanding after 15th October, 1981.

30, Gresham Street,
London EC2P 2EB.

15th September, 1981

THE COPENHAGEN COUNTY AUTHORITY

20,000,000 European Units of Account

8¾% 1979/1991 Bonds

Pursuant to the provisions of the Purchase Fund, notice is hereby given to Boldholders that nominal UA 500,000 have been purchased during the twelve-month period from September 10, 1980 to September 9, 1981.

Amount outstanding: UA 19,000,000

September 15, 1981

THE COPENHAGEN COUNTY AUTHORITY

NATIONAL COAL BOARD

8¾% U.S.$ GUARANTEED BONDS 1988

S. G. WARBURG & CO. LTD. announce that the redemption of Bonds, due 15th October, 1981 for a nominal value of U.S.$2,500,000 has been met by purchases in the market.

U.S.$39,000,000 *nominal* amount of Bonds will remain outstanding after 15th October, 1981.

30, Gresham Street,
London EC2P 2EB.

15th September, 1981

AKTIEBOLAGET SVENSK EXPORTKREDIT
(Swedish Export Credit Corporation)

U.S.$9½% NOTES 1986

S. G. WARBURG & CO. LTD., announce that the semi-annual instalment of Bonds due for redemption on 15th October, 1981 for a nominal value of U.S.$1,450,000 has been met by purchase in the market.

U.S.$14,280,000 nominal amount of Bonds will remain outstanding after 15th October, 1981.

30, Gresham Street,
London EC2P 2EB.

15th September, 1981.

MORTGAGE BANKS OF FINLAND OY

U.S.$20,000,000 9¼% GUARANTEED BONDS 1981

Bondholders of the above loan are advised that the final redemption due 15th October, 1981, will be effected by a drawing at par of U.S.$14,000,000 being all the *outstanding bonds.*

The drawn bonds may be presented to Hambros Bank Limited, 41 Bishopsgate, London EC2P 2AA, or to the other Paying Agents named on the bonds. Coupons due 15th October, 1981, should be detached and collected in the usual manner.

For payment in London, bonds will be received on any Business Day and must *be left three clear days for examination.*

HAMBROS BANK LIMITED

DAVIES & METCALFE LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of the Company will be CLOSED from 22nd September 1981 to 24th September 1981, both dates *inclusive.*

By Order of the Board,
R. ALLEN, Secretary.

Injector Works,
Romiley,
Cheshire.

PRUDENTIAL CORPORATION LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS and REGISTER of MEMBERS of the above Company will be CLOSED from the 23rd October 1981 to 2nd November 1981 (both dates inclusive).

By Order of the Board of Directors,
R. E. ARTUS, Secretary.

142 Holborn Bars,
London EC1N 2NH.
10th September 1981.

TORAY INDUSTRIES, INC.

7¾% U.S.$ GUARANTEED NOTES 1984

S. G. WARBURG & CO. LTD. announce that the redemption instalment of Bonds due 15th October, 1981 for a nominal value of U.S.$3,000,000 has been met by purchases in the market.

U.S.$18,000,000 nominal amount of Bonds will remain outstanding after 15th October, 1981.

30, Gresham Street,
London EC2P 2EB.

15th September, 1981.

LEGAL NOTICES

IN THE MATTER OF
GOODYEAR GIBBS
(INTERNATIONAL) LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, *which is being voluntarily wound up,* are required, on or before the 31st day of October, 1981, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Brian Mills of 1 Wardrobe Place, Carter Lane, London EC4V 5AJ, the Liquidator of the *said Company, and, if so required* by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will *be excluded from the benefit of any* distribution made before such debts are proved.

Dated this 14th day of September, 1981.

BRIAN MILLS,
Liquidator.

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To the Holders of

Itel Finance International N.V.

9¾% Guaranteed Debentures due 1988
9¾% Guaranteed Debentures due 1990
10½% Guaranteed Debentures due 1993

J. Henry Schroder Bank & Trust Company, as Successor Indenture Trustee (the "Trustee") *for the holders of Itel Finance International N.V. 9¾%* Guaranteed Debentures due 1988, 9¾% Guaranteed Debentures due 1990, and 10½% Guaranteed Debentures due 1993 (the "Debentures"), causes this Notice to be published to inform Debentureholders of certain recent developments.

Some of you may have received communications from Itel Corporation (the "Company") or the United States Bankruptcy Court for the Northern District of California, concerning the filing of claims against the Company.

On May 20, 1981 and July 7, 1981, the Bankruptcy Court entered orders which require certain creditors having claims against the Company to file those claims on or before July 31, 1981 or September 18, 1981, respectively. However, both orders provided that claims *need not* be filed by holders of the Debentures to the extent that a claim is asserted *only* for principal and interest on the Debentures.

If you believe that you have a claim against the Company based upon a liability other than for principal and interest due on the Debentures, or if you have any questions with respect *to the communications which* you have received, you should consult with your own counsel as to the proper actions to be taken. As we have advised in our previous communications to you, it will *not* be necessary at this time for you to file a claim for principal and interest due and owing on the Debentures. The Trustee has filed a claim on behalf of all Debentureholders for the principal and interest due as of January *19, 1981, the* date the Chapter *11* petition was filed.

The Trustee will continue to communicate with Debentureholders periodically concerning the reorganization proceedings.

J. HENRY SCHRODER BANK & TRUST COMPANY
as Successor Indenture Trustee

LEOPOLD JOSEPH HOLDINGS LIMITED

At the Annual General Meeting held on 14th September 1981 the Chairman, Mr. Robin Herbert, made the following statement—

There has been a tendency for sterling interest rates in the short term money markets to rise against a background of continued high interest rates in the U.S.A. The uncertainty of markets has been further increased by the strike of civil servants which has created concern about monetary growth. Against this background the management of your company has taken a very cautious view. However I am happy to report that the volume of business undertaken has continued to increase although *margins remain very fine.* I am hopeful that your company will enjoy another successful year.

UK COMPANY NEWS

Amey Roadstone profits down as volumes drop 17%

THE SLUMP in UK construction activity in the year to June 30 1981 exceeded the worst fears of Amey Roadstone Corporation. Although turnover fell by only 1½ per cent to £423m, volumes were some 17 per cent lower than in the previous year, and operating profits slipped to £39.2m from £43.8m in 1979-80.

Demand for concrete pipe had already begun to fall in 1979-80, but for most products the decline this year is more rapid than expected. It was not possible to plan a smooth reduction in costs, according to the chief executive Mr Charles Spence, and the group had done well to contain the erosion of margins.

Cost reductions in the year had been achieved by means of plant closures and redundancies. Seventeen per cent of the UK workforce (1,500 people) and 9 per cent of the U.S. (250 employees) had been made redundant. The remainder were on greatly reduced working hours. Central overheads, cut in real terms, were close to 1980 levels.

Mr Spence added that Amey was not assuming any volume increase in making its plans for the next 12 months, although the decline now seemed to have levelled off. Longer-range planning was next to impossible in the present climate: "The industry just doesn't know where it is, in regard to levels of demand."

A turn-round in Amey's contracting subsidiary, which contributed profits of £1.4m after losing £2.6m last time, helped to offset the general gloom.

Amey's pre-tax profit was £34.2m (£35.7m). This total was struck after the present company — Consolidated Gold Fields—decided to waive interest payments of about £4m. The dividend paid to Consolidated Gold Fields has been increased by a similar amount, to £18.2m.

On a current cost basis, profit attributable to the holding company was £4.8m.

Heavy first half losses made by James Wilkes

A NET taxed loss of £479,203 compared with profits of £188,325, is reported by James Wilkes, the West Midlands manufacturer of business forms and equipment, for the half year to June 30 1981. Turnover plunged from £6.06m to £3.82m.

The loss was after tax down from £62,100 to £52,671, an extraordinary debit of £619,754 (nil) relating to a trading loss of £171,702 of Wilkes Business Forms to the date of its disposal, redundancy costs amounting to £263,223 and a loss of £184,829 on the sale of investments.

At the interim stage, when pre-tax profits were up from a restated £160,906 to £230,425, the chairman announced that Wilkes Business Forms had been sold for £50,000. He said it would give rise to a book loss of £440,000. This subsidiary had incurred a loss of £116,500 in 1980 and mounting losses in the first quarter of 1981 had forced the board to sell.

Turnover for 1981 excludes that of Wilkes Business Forms. At the date of disposal this amounted to £782,394.

The interim dividend is unchanged at 1.5p—last year's total was 4.125p.

Tioxide ahead at halfway

A RECOVERY from depressed sales levels helped pre-tax profits from Tioxide Group and subsidiaries to ease up from £6.46m to £6.73m, for the half year to June 30 1981. Last year's full year pre-tax profits were £7.22m. Sales were higher this year at £93.14m, from £88.11m.

Tax represented a high proportion of group profits because of unrelieved UK losses. Tax rose to £4.46m (£3.68m) and post-tax profits were £2.32m (£2.39m). The deduction for minorities was £0.16m (£0.35m) leaving attributable profits at £2.16m (£2.04m). Earnings per share were 6.9p (6.5p).

The Group is held in equal shares by Imperial Chemical Industries and Lea dIndustries Group.

Sevalco £384,619 in the red

IN 1980 Sevalco slumped to taxable losses of £384,619, against profits of £772,105, on turnover £2.68m higher at £21.94m.

There is to be no dividend payment in respect of the year—in 1979 there was a distribution of £667,946—and there is again to be no tax charge.

The pre-tax losses were incurred after interest of £846,451 (£634,466) on loans payable within five years and interest of £398,895 (£160,506) on long term loans, depreciation of £663,591 (£639,216), loss on disposal of fixed assets £140,269 (£20,650) and underfunded pension scheme provision £130,000 (nil).

Sevalco is wholly owned by Sevalco (Holdings) which is in turn equally owned by Phillips Petroleum Company UK and Columbian International Chemicals Corporation.

New London Props. fall

Pre-tax profits for New London Properties, whose main activity is property investment, fell from £745,556 to £606,609 for the half year to June 30 1981.

The net interim dividend is the same again at 4p. Tax was lower at £313,000 (£385,394).

The group is a wholly-owned subsidiary of the Pearl Assurance Company.

Gnome holding on to its market share

Gnome Photographic Products is maintaining its market share despite very fierce competition in many instances from imported products enjoying grants, tax advantages and more recently, currency exchange rate benefits to a level which in other circumstances almost amount to dumping, Mrs H. J. Rees, the chairman says in her annual review.

Mrs Rees points out that during the past months the group has produced a number of new products which are all designed to maintain and increase the profitability per unit to safeguard, as far as the company is able, against future rising costs.

She adds that the Elite subsidiary continues to hold its own in a hardening market.

Downturn at Argus Press Holdings

Pre-tax profits of the Argus Press Holdings, printer and publisher, fell from £1.06m to £699,000 in the six months to June 30, 1981. Turnover rose from £20.2m to £24.23m.

Trading profit was down from £1.55m to £1.44m and net interest payable was £743,000 (£469,000). Tax was lower at £267,000 (£505,000), and after minorities unchanged at £8,000 and extraordinary debits this time of £21,000, attributable profits were £403,000 against £563,000.

Stated earnings per 25p share before extraordinary items are 12.91p (17.22p).

All ordinary shares of the company are owned by the British Electric Traction Company.

LAIRD RIGHTS

Acceptances have been received in respect of 93.46 per cent of the 15.7m shares of Laird Group offered in a rights issue. The balance has been sold in the market and the net proceeds amount to approximately 19.83p per new share.

Bramall tops £1m but holds interim at 2.05p

Bramall, the Bradford-based motor vehicle dealer, advanced from £918,000 to £1.05m for the first half of 1981, a rise of 14 per cent, on turnover £6.04m higher at £22.56m.

Mr. Tony Bramall the chairman says profit margins on new vehicle sales continued to be slim and while new vehicle sales in August were a record for the group in any one month, and have got the current six months off to a good start, there is no sign of any improvement in the underlying trend of order intake—particularly in commercial vehicle sales.

However, he is confident that the spread of group activities will, subject to no major unforeseen circumstances, produce satisfactory results for the year as a whole.

He points out that while all group dealerships sold marginally fewer new units at lower margins than in the corresponding period, the service, parts and used car business returned satisfactory results. There was also a substantial recovery in contract hire, leasing and hire purchase following the easing of interest rates.

Of the pre-tax profit £770,000 stemmed from the group's main dealerships and the contract hire, leasing and hire purchase activities contributed 37 per cent more at £277,000.

Following changes in legislation affecting first year allowances on new vehicles and stock appreciation relief the directors have deemed it prudent to provide for a more realistic tax charge in respect of the current year and have calculated this item at a rate of 43 per cent for the half year, compared with a rate of 23 per cent for the 12 months to December 31 1980. As a result tax for the six months rose sharply from £36,000 to £452,000.

The attributable balance emerged at £595,000 (£882,000) out of which interim dividend payments absorb £86,000 (£83,000), net of dividends amounting to £21,767 waived by the chairman.

Stated earnings per share were lower at 11.3p (17.2p) but the net interim dividend is being maintained at 2.05p per 25p share—for 1980 a total of 5.55p was paid from pre-tax profits marginally down at £1.67m (£1.78m).

Current cost accounting reduces the taxable surplus to £776,000 (£961,000) and on the same basis earnings per share are given as 6.1p (11.1p).

Dixons Photographic counts the disturbance costs of riots

THE URBAN riots during the early part of the summer proved expensive for Dixons Photographic says Mr Stanley Kalms, the chairman, in his annual report. He says the group suffered in terms of the disturbance to established shopping patterns and disruption to those retail stores which suffered from damage and looting.

Commenting on the current economic situation, he says it is quite clear that under the present Government policies, the immediate future will remain depressed. The board's immediate task, therefore, is to keep the company as lean and efficient as possible and to maintain it in a state of readiness to move into top gear at the right moment.

The group has invested significant sums on electronic data capture equipment and systems, and is continuing to spend heavily on new stores, store improvement, market experimentation and staff training.

He then points out that the pharmaceuticals division is still at the crossroads, with gross profit margins having stabilised at a very low level. It is now concentrated into 11 depots. The division remains only marginally profitable and will require close and continuous monitoring.

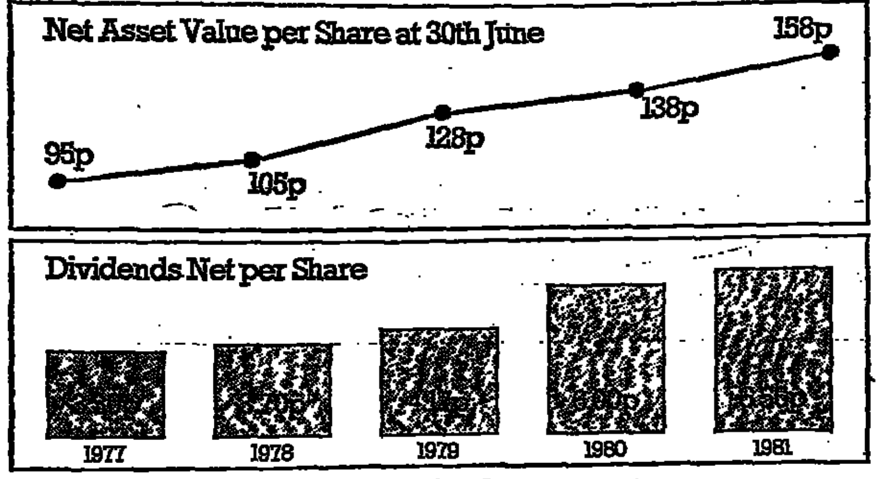
PTP, the film processing division, is committed to a heavy capital programme and this will ensure it remains highly competitive. Overseas, the group is busy exploring new markets and developing new products.

Mr Kalms says the strength of the group's financial resources remains impressive. Liquidity increased by £10m during the year to May 2, 1981, and with net borrowings reduced to virtually nil, it has adjusted reserves to take advantage of the inevitable, if delayed, improvement in the economy.

The financial year has got off to a good start overseas, and in the UK the group, he says, will not be unaffected by the depressed economic climate.

As known, pre-tax profits for the year to May 2 were £10.78m (£10.92m) Fixed assets improved from £23.28m to £24.62m, cash and short-term deposits were £12.97m (£10.41m) and bank loans and overdrafts (unsecured) dropped from £18.68m to £11.33m. Net current assets stood at £36.56m compared with £37.69m, and shareholders' funds were £60.18m (£55.02m).

Meeting, Connaught Rooms, WC, October 15, at noon.



COMPANY NEWS APPOINTMENTS

REPORTS TO MEETINGS

Nesco members told of developments

MR TREVOR TREFGARNE, the chairman of **Nesco Investments**, told members at yesterday's AGM of four developments which had occurred since the preparation of his statement included in the annual report.

First, he said dividends amounting to approximately £171,000 from the Nigerian subsidiary in respect of last year had been received in London.

Second, he revealed that the group had increased its shareholding in Braithwaite and Co. Engineers to 137,500 shares (5.09 per cent).

The third change, he said, was that the motor distribution subsidiary, Colmore, had disposed of Archie E. Moss, a garage business in Loughborough, for approximately £155,000, including repayment of inter-group debt.

The fourth development was that director Mr. N. J. Ferguson had given notice of his intention to resign from the company at the end of September. He planned to devote his time and efforts entirely to his professional accounting practice, the chairman explained.

Mr. Ferguson had served as secretary to the company for *more than* 17 *years and had been* elected to the board in November, 1975.

Prospects about trading and profits for the current year were outlined by chairmen at other annual meetings.

At **Alexander Russell**, the fuel and building supplies distributor, quarrying and quarry management and coal recovery group, Mr S. R. Nicholson said results to date were ahead of last year although he warned that business in Scotland had not shown the revival he had been looking for in the intervening period as the group was now, for the first time, really beginning to suffer from the inroads that timber-frame housing was making into the ordinary house market.

The chairman expected further curtailment of production at the Gartshore works if there were no immediate signs of an upturn.

However, he still expected the group to be showing an improvement in its results for the first half, compared with last year, but "perhaps not to the extent the company might have hoped for at the beginning of the summer."

With regard to the second half Mr Nicholson said that building material activities should show an overall improvement, compared with the same period last year, given reasonable weather. He pointed out that coal plans were now well run in and with initial teething problems ironed out this division should show an improved performance this winter.

The group, he said, was negotiating one or two contracts for coal plants in the UK and had agreed to take a third stake in a consortium in the U.S. to work a coal recovery deposit in Pennsylvania.

At the **Wolverhampton Steam Laundry** Mr John Nash, the chairman, stated that sales, marginsa nd profits for the first four months of the current year showed a marked improvement over last year and that the current prospects for the company were most encouraging.

Mr Derrick Cowan told **Cowan de Groot** shareholders that trading conditions continued to be difficult and vigorous measures had been taken to restore profitability to those areas of the group which were suffering. These measures, however, take time to become effective, he added.

He said the directors were hopeful of producing a reasonable result for the year, although the profit for the two half periods "would be more evenly balanced than they were last year."

Mr S. V. Weber intimated in his review that **Aero Needles Group** had incurred a loss in the first half. After the meeting he *said he did not expect the* oss to exceed £165,000. Indications at this stage were that the rate *of loss had substantially reduced*, he added.

He pointed out that the final *four months* of the year encompass the group's most important selling season and that the outcome for the full year would therefore depend on the demand and the group's ability to meet it during the four months.

At **C. H. Industrials'** meeting Mr Tim Hearley told shareholders that there was little he could add to his statement within the report and accounts.

He said there were a number of areas within the group's businesses *where new commercial* opportunities were being developed which should produce *significant returns in the future.*

Although the level of profitability remained unsatisfactory, he pointed out that the necessary influences on the group appear to have levelled out and that the outcome for the current year would be particularly dependent on the timeing of any upturn in demand and on future acquisitions.

Managing director of Ingersoll

Mr Jeffrey Cohen, 35, currently managing director of Heron Service *Stations* and Heron Credit Card has also been appointed group managing director of *INGERSOLL*. He was aftermarket manager, Shell UK, prior to joining Heron as *deputy managing* director of Heron Service Stations in August 1979.

★

BRITISH NUCLEAR FUELS has appointed **Mr John Hayles** to the board. *He is BNFL's* director of finance, based at Risley, near Warrington, Cheshire.

★

Admiral Sir Rae McKaig has been appointed an executive director of INCHCAPE.

★

Mr Douglas Lang has been appointed managing director of CARDINAL MATRIX BROACHES, a company recently acquired by the Brooke Tool Engineering Group from Tube Investments.

★

Mr Malcolm (M. H.) Harrison has been appointed chief manager of MIDLAND BANK'S Tokyo branch in succession to **Mr Mark (M. A.) Byng**, who is returning to Midland Bank International in London to take up a new appointment.

★

Mr T. V. McGhie has been appointed technical director of DORMAN SMITH FUSES, following the retirement of **Mr Fred Bentley**. Dorman Smith is a member of the BICC Group.

★

Mr Richard Thayer has been appointed a director of CENTURY ALUMINIUM *following* his retirement from the Midland Bank. **Mr Malcolm Bowden** has been appointed alternate production director of Century Aluminium and director of Century Anodising.

★

Mr Chris Meadows Smith has been appointed managing director of FERTITRADE, an assocoated company of L. and K. Fertilisers. He succeeds **Mr D. A. P. Pusch** who is returning to Chemische Werke Huls A G through affiliate Ruhr Stickstoff AG one of Fertitrade's shareholders, to take up another assignment. Mr Meadows Smith, who takes up his new appointment on October 1, joined Fertitrade in 1976 as UK sales manager to develop the company's activities as agents for Ruhr Stickstoff AG, the West German manufacturers.

★

Mr Allard Jiskoot (Dutch), **Mr David Montagu** and **Mr Charles Wilson** have been appointed to the board of RIT.

★

Mr Donald Campbell who retired recently from the Taylor Bonney division of Gulf and Western has been appointed a director of MOSSWOOD ENGINEERING SERVICES, Ellesmere Port.

★

ARBUTHNOT *INSURANCE* SERVICES has appointed **Mr D. G. W. Guyer** as a director.

★

Ms Wendy J. Binder, an area manager at WELLS FARGO BANK'S London branch, has been elected a vice president.

★

Mr W. E. Williams will retire as chairman of W. WILLIAMS AND SONS (HOLDINGS) on, or before the next annual meeting in July 1982. **Mr Chris Phillips**, who was recently appointed *to* the board, has been appointed deputy chairman.

★

TRANSPARENT PAPER has appointed two executive directors, **Dr Andrew N. Ferrar** and **Mr Kenneth L. MacDonald**.

★

Dr A. H. Button has been appointed sole managing director of WATNEYS LONDON. He was formerly joint managing director. The company's other joint managing director, **Mr M. J. Kettell**, has been appointed to the board of sister company, Chef and Brewer.

★

GLENTURRET DISTILLERY has been acquired by Cointreau Holding SA through its Scottish subsidiary company Cosco. **M Robert Cointreau** becomes the new chairman and **Mr James Fairlie** continues as managing director and secretary.

★

The BRITISH CHEMICAL DAMPCOURSE ASSOCIATION has appointed **Mr Charles "Jonah" Jones** as its first director.

★

AAA INDUSTRIES has appointed **Mr Roger M. Mitchell** as managing director of subsidiary, Airoil-Flaregas. **Mr John D. Stone** and **Mr Hugh G. Shersby** have been appointed directors, technical director and production director respectively.

★

ROBERT GLEW AND CO has appointed **Mr Alan Gould Martin** as a non-executive director. Mr Martin was formerly a director of Industrial and Commercial Finance Corporation.

★

Mr R. Derek Finlay has been elected to the board of H. J. HEINZ COMPANY. A Scott, Mr Finlay moved to Heinz world headquarters, in Pittsburgh, on July 1 following two years as managing director of Heinz UK. Last month he became senior vice-president, corporate development.

★

Mr Nicolo Dubini has been made managing director of BANKERS TRUST FINANZIARIA SpA, a Rome-based finance company wholly-owned by Bankers Trust Company of New York. Mr Dubini succeeds **Mr Abel Herrero-Ducloux** who has been assigned to Bankers Trust International, London.

★

Mr Edward A. Treichel has been elected a vice-president of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY of Chicago.

★

LIGHTNIN MIXERS LIMITED has appointed **Mr D. E. Lewis** as chairman and managing director. Mr Lewis is also appointed to the boards of the company's subsidiaries in Europe: Lightnin France SA, Deutsche Lightnin GmbH, Lightnin Belgium SA, Lightnin ab and Lightnin Europe Limited. Lightnin Mixers Limited is a subsidiary of the General Signal Corporation of Stamford, U.S.

★

Mr L. V. McGuire has been appointed general manager for HAMILTON BROTHERS OIL AND GAS in Aberdeen. He will have responsibility for North Sea drilling, engineering, production and marine operations.

★

Mr Timothy Caton has been appointed to the board of HEALTH AND DIET FOOD COMPANY group with special responsibilities for contractual and general legal matters.

★

SKANDIA LIFE ASSURANCE has appointed **Mr Alan Wilson** as legal director. He will remain company secretary.

★

Mr G. F. Drake, **Mr A. McGowan** and **Mr M. Sutton** have been made directors of WILLIAMS'S LIMITED of Bootle, a subsidiary of Squirrel Horn.

★

Mr Michael Cafferty has been appointed technical director of GEO. BRAY AND CO., Leeds-based manufacturer of gas jets and burners.

★

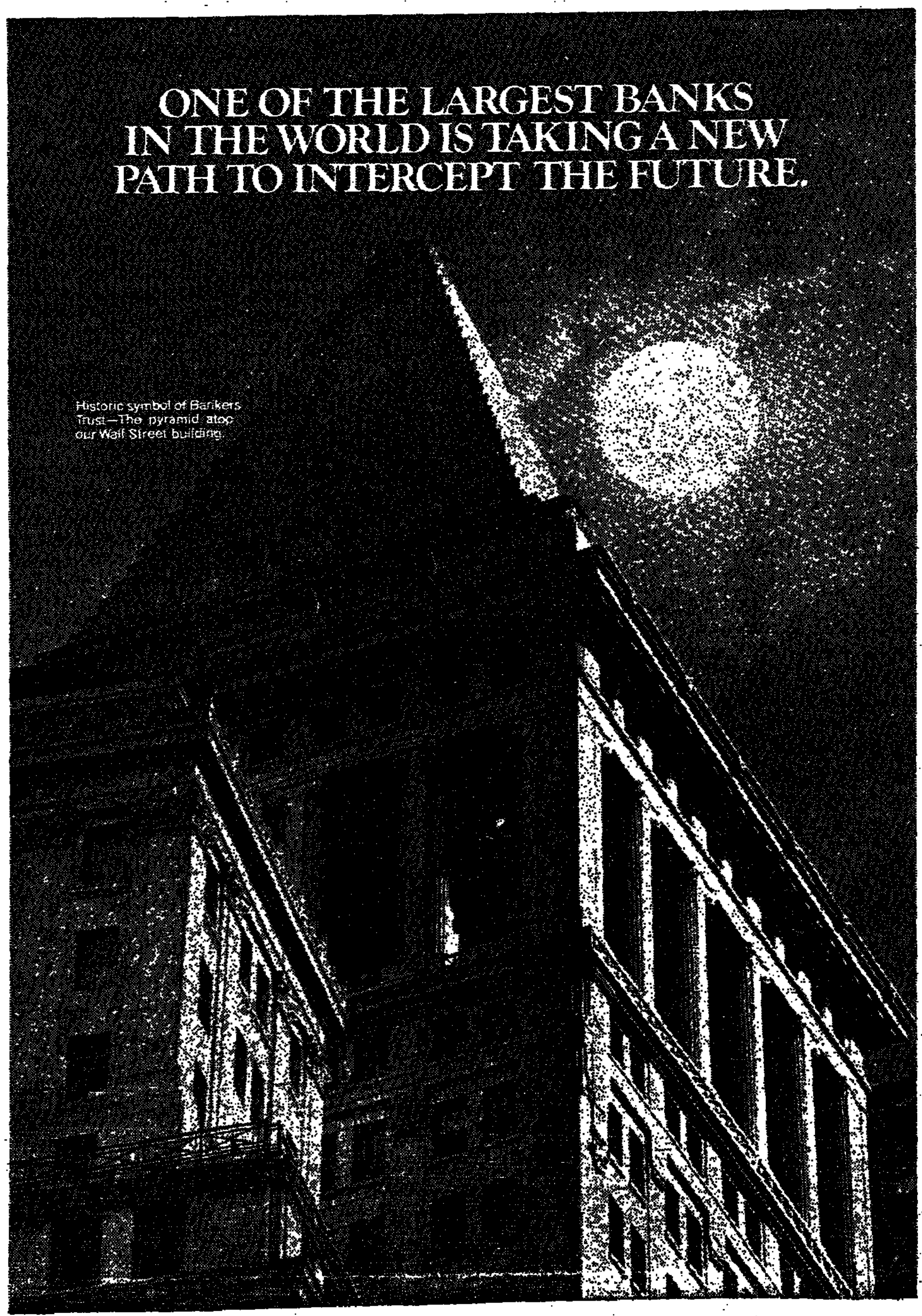
Dr Andrew Nicholas Ferrar and **Mr Kenneth Lewis MacDonald** have been appointed directors of TRANSPARENT PAPER.

★

Mr Peter L. Barth has been appointed as vice-president/managing director, Europe, Middle East and Africa for FISHER CONTROLS INTERNATIONAL INC. Mr Barth, formerly with Kimberly Clark Corporation and Kennecott Corporation, is based in Basingstoke.

★

The WILLIAMS LEA GROUP has appointed **Mr Terry Green** managing director of Perivan colour print, Southend. He succeeds **Mr Fred Wallis** who retires at the end of September.



Historic symbol of Bankers Trust—The pyramid atop our Wall Street building.

This Prospectus includes information given in compliance with the Regulations of the Council of The Stock Exchange in London for the purpose of giving information to the public with regard to the United Mexican States ("Mexico") and the Stock. Mexico has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. Mexico accepts responsibility accordingly.

Dated 14th September, 1981

UNITED MEXICAN STATES

ISSUE ON A YIELD BASIS OF £50,000,000 LOAN STOCK 2008

Redeemable Annually at Stockholders' Option from 1988 to 2007

Payable as to £30 per cent. on application
and as to the balance by 17th November, 1981
with interest payable semi-annually on 1st March and 1st September.

The Issue has been underwritten by

County Bank Limited

Baring Brothers & Co., Limited
Samuel Montagu & Co. Limited
Morgan Grenfell & Co. Limited
J. Henry Schroder Wagg & Co. Limited
S. G. Warburg & Co. Ltd.

Application has been made to the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland ("The Stock Exchange") for the £50,000,000 Loan Stock 2008 (the "Stock") to be admitted to the Official List for quotation in the Gilt-edged market. The Stock will be available either in registered form, transferable in amounts and multiples of one penny, or, at the option of the holder, in bearer form, represented by Bearer Bonds which will be available *in denominations of £1,000 and £10,000 only.* Stock in registered form may be exchanged for Bearer Bonds and vice versa at any time after 15th December, 1981. Renounceable allotment letters (partly paid) in respect of the Stock will be despatched on Wednesday, 23rd September, 1981. Certificates in respect of Stock in registered form and Bearer Bonds in respect of Stock in bearer form will be available on 15th December, 1981 provided the balance of the monies payable has been duly paid.

The application list will open at 10 a.m. on Thursday, 17th September, 1981 and will close later the same day.

No person has been authorised to give any information or make any representation in connection with the issue of the Stock other than those contained in this Prospectus and, if given or made, any such information or representation should not be relied upon as having been authorised by the Underwriters referred to above (the "Underwriters") or Mexico.

The Stock is not open for applications to subscribe by U.S. or Mexican persons. "U.S. person" means any person who is a national, citizen or resident of, or who is normally resident in, the United States, including the estate of any such person, corporations and partnerships created or organised in the United States and "United States" means the United States of America, its territories and possessions and all areas subject to its jurisdiction. "Mexican person" means any person who is a national of or resident in *the United Mexican States.*

All references to "pounds," "pounds sterling," "£" and "pence" in this Prospectus are to pounds and pence of the United Kingdom. All references to "pesos" and "P" are to Mexican Pesos. On 10th September, 1981 *the exchange rate between the pound sterling* and the Mexican peso was approximately £1=P44.85. All currencies have been converted into pounds sterling at the rates prevailing on the relevant dates.

PROCEDURE FOR APPLICATION

All applications must be made in the form of the Application Form provided or in such other form as County Bank *Limited ("County Bank") may accept and must be lodged with* National Westminster Bank Limited, New Issues Department, PO Box 79, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2BD not later than 10.00 a.m. on Thursday, 17th September, 1981 and must comply with the provisions of "Terms of Payment in Respect of Applications" below.

Applications for Stock must be for a minimum of £100 nominal amount of Stock and thereafter for the following multiples of Stock:–

Amount of Stock applied for	Multiple
Up to £1,000	£100
£1,000 to £10,000	£1,000
£10,000 to £50,000	*£5,000*
£50,000 or greater	£25,000

County Bank on behalf of Mexico reserves the right to reject any application and to accept any application in part only. If any application is not accepted the amount paid on application will be returned by post at the risk of the person submitting the application. If any *application is accepted for a smaller amount of Stock than that applied for,* the balance of the amount paid on application will be so returned, and in the meantime all such amounts will be held in a separate account.

County Bank on behalf of Mexico will publish the basis of allotment in the Financial Times *on* Friday, 18th September, *1981. It is expected that letters confirming* allotments will be despatched not later than Friday, 18th September, 1981.

Brokerage of ⅛ per cent. of the nominal amount of Stock allotted will be paid by Mexico to recognised Banks or Stockbrokers on allotments made in respect of Application Forms bearing their stamp or in respect of *other forms of application accepted by County* Bank as being from a recognised Bank or Stockbroker. The expression "recognised Bank or Stockbroker" shall mean any organisation which is a recognised Bank for the purposes of the Banking Act *1979* and any firm of Stockbrokers which is a member of The Stock Exchange and *such other banks or brokers* as County Bank shall at its absolute discretion agree *for the* purposes of the issue.

Acceptances of applications will be conditional inter alia upon the Council of The Stock Exchange admitting the Stock to the *Official List* on or before *10.00 a.m.* on Wednesday, 23rd September, 1981. If the Underwriters exercise their right to terminate the Underwriting Agreement referred to below or if the Underwriting Agreement does not become unconditional (see "Underwriting Arrangements" below), such acceptances will become void.

Copies of this Prospectus may be obtained from:

County Bank Limited
  11 Old Broad Street, London EC2N 1BB
National Westminster Bank Limited
  New Issues Department, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2BD
  208 Piccadilly, London W1A 2DG
  80 George Street, Edinburgh EH2 3DZ
  14 Blythswood Square, Glasgow G2 4AQ
  Colmore Centre, 103 Colmore Row, Birmingham B3 3NS
  55 King Street, Manchester M60 2DB
  32 Corn Street, Bristol BS99 7UG
W. Greenwell & Co.
  Bow Bells House, Bread Street, London EC4M 9EL
  The Stock Exchange in London
Rowe & Pitman
  City-Gate House, 39-45 Finsbury Square, London EC2A 1JA
  The Stock Exchange in London

INFORMATION RELATING TO THE ISSUE

Determination of Rate of Interest and Issue Price

The Stock will have attached such rate of interest and be issued at such price as will result in the Stock having a Gross Redemption Yield determined on *the basis* described below (the "Issue Yield").

The Issue Yield *shall* mean the sum of *1.50 per cent. and the Gross* Redemption Yield, rounded up *to* two decimal places, on 13½ per cent. Treasury Stock 2004-08 calculated by reference to the price of *such* Treasury Stock on The Stock Exchange at 3 p.m. on Wednesday, 16th September, 1981, such price to be determined by County Bank to be the arithmetic mean of the bid and offered prices quoted on a dealing basis for settlement on the *following* business day by three jobbers in the Gilt-edged market. *The Gross Redemption* Yield will be expressed as a *percentage* and will be calculated on the basis set out under "Calculation of Gross Redemption Yields" below.

The rate of interest attaching to the Stock will be an integral multiple of one quarter of one per cent. and will be as high as possible consistent with an issue price as near as possible to but not less than 96 per cent. The issue price will be expressed as a percentage rounded down to three places of decimals.

It is intended that notice of the *Issue Yield, rate of interest* and issue price will be *published in the Financial Times on* Thursday, 17th September, 1981.

Underwriting Arrangements

By an Underwriting Agreement dated 14th September, 1981, County Bank Limited, *Baring Brothers & Co.,* Limited, Samuel Montagu & Co. Limited, Morgan Grenfell & Co. Limited, J. Henry Schroder Wagg & Co. Limited and S. G. Warburg & Co. Ltd. have agreed with Mexico to underwrite the issue of the Stock.

County Bank on behalf of the Underwriters *may in certain circumstances* terminate the Underwriting Agreement, which is subject to certain conditions, and accordingly, if the Underwriting Agreement is so terminated or does not become unconditional, applications for the Stock will become void.

Terms of Payment in Respect of Applications

Each application, unless made by a recognised Bank or Stockbroker taking advantage of the alternative method of payment described below, must be accompanied by a cheque made payable to National Westminster Bank Limited, and crossed "Mexico Loan," represent*ing payment at the rate of £30* per cent. *of the nominal* amount of the Stock applied for. Such cheques must be drawn on a branch in the United Kingdom, the Channel Islands or the Isle of Man of a bank which is either a member of the London or Scottish Clearing Houses or which has arranged for its cheques to be cleared through the facilities provided for the members of *those* Clearing Houses.

County Bank on behalf of the Underwriters reserves the right to retain the relevant allotment letters and surplus application moneys (if any) pending clearance of applicants' remittances.

An *alternative method of payment is available only in respect of payments of £10,000* or more to recognised Banks or Stockbrokers who irrevocably agree to pay National Westminster Bank Limited, New Issues Department, Drapers Gardens, 12 Throgmorton Avenue, London, *EC2P 2BD, for credit to the account designated* "Mexico Loan" by 10.00 a.m. on Wednesday, 23rd September, 1981 the amount in Town Clearing Funds representing payment at *the rate of* £30 per cent. of the nominal amount of the Stock in respect of which their applications shall have been accepted. The expression "Town Clearing Funds" shall mean a cheque or bankers' *payment for £10,000* or *more drawn* on a Town Clearing Branch of a bank in the City of London.

The balance of the amount payable on the Stock allotted must be paid so as to be cleared on or before 17th November, 1981. Any amount paid in advance of its due date shall not bear interest *or be entitled to any other payment.*

Failure to pay the balance on any Stock when due will render all amounts previously paid liable to forfeiture and the allotment liable to cancellation. Interest at the rate of 2 per cent. above the Base Rate of National Westminster Bank Limited from time to time may be charged on such balance if accepted after its due date. Mexico *reserves the right in default of* payment to sell such Stock fully paid for its own account.

Delivery

Renounceable allotment letters (partly paid) in respect of Stock allotted will be despatched on Wednesday, 23rd September, 1981 by *first class post at the risk of the* person submitting the application in accordance with the instructions stated on the Application Form.

Allotment letters may be split on or before 27th November, 1981 in accordance with the instructions *contained therein into* denominations or integral multiples of £100. A letter cannot be split if the balance of the amount payable on the Stock is overdue.

Unless a duly renounced fully paid allotment letter with the registration application form duly completed is received by National Westminster Bank Limited, New Issues Department, PO Box 79, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2BD on or before 1st December, 1981, the Stock represented by such allotment letter will be registered in the name of the original allottee. Thereafter Stock in registered form will be transferable only by *instrument of transfer.*

Allotment letters will provide for holders of Stock to *elect to take delivery of Stock* in bearer rather than registered form. Stock in bearer form will be represented by Bearer Bonds which will be available in denominations of £1,000 and £10,000 only.

Each holder of Stock who elects in the allotment letter to receive Bearer Bonds may receive them in one of the following ways:–

(a) By post at the risk of the applicant. National Westminster Bank Limited will insure any package destined for an address in the United Kingdom provided a cheque in favour of National Westminster Bank Limited is enclosed with *the allotment letter made out* for 50p per £1,000 *nominal* amount of Bearer Bonds to be sent (minimum payment £3). Insurance rates for other countries will be quoted on request.

(b) By *delivery* to an existing account with Euro-Clear Clearance System Limited or CEDEL S.A.

(c) By collection from the offices of National Westminster Bank Limited, Stock Office Services, Drapers Gardens, 12 Throgmorton Avenue, London, EC2P 2ES.

Bearer Bonds will be available for delivery on 15th December, 1981. Stock Certificates, in respect of the Stock in *registered form will be despatched on* the same date at the Stockholder's risk. After that date allotment letters will cease to be valid for any purpose.

Calculation of Gross Redemption Yields

The Gross Redemption Yield will be calculated on the basis indicated by the Joint Index *and Classification Committee of the Institute* and Faculty of Actuaries as reported in the Journal of the Institute of Actuaries Vol. 105, Part 1, 1978, page 18 as follows:–

"Redemption yields are calculated taking accrued interest as part of the price and using a true compound interest formula i.e. finding the value of v to give $f(v)=0$ where

$$f(v) = v^{p} \cdot \left(C_1 + C\frac{(1-v^{n})v}{(1-v)} + Rv^{n} \right) - P - \sum_{i} B_i \cdot v^{b_i}$$

and v is the discounting factor per period (e.g. half-year)
R is the redemption amount,
C is the coupon amount per period,
C_1 *is the actual* coupon due at the next payment *date (which may be zero if the stock is already quoted "ex dividend," or may be a first fractional payment),*
n is the integral number of periods till redemption from the next payment date,
p is the fractional period till the next payment date,
P is the price actually payable (with "accrued interest" not "stripped out," but, for shorts, added in),
B_1, B_2 etc. are outstanding calls on a partly-paid stock,
b_1, b_2 etc. are the fractional periods till these calls are due.
When the root of $f(v)$ has been found the gross yield, y, convertible half-yearly, is obtained from

$$y=200\,(1/v^{k/2}-1) \text{ per cent.}$$

where k is the frequency of coupon payment per year."

SUMMARY INFORMATION

The Issue

Securities	*£50,000,000* Loan Stock 2008.
Payment	The Stock will be payable as to £30% on application and as to the balance by *17th November, 1981.*
Interest	Payable semi-annually on 1st March and 1st September.
Redemption by Stockholders	The Stock may be redeemed at the option of the Stockholders on the Interest Payment Date falling in September in the years 1988-2007 inclusive.
Final Maturity	1st September, 2008.

UNITED MEXICAN STATES

	1976	*1977*	*1978*	*1979*	*1980*	*1981*
Gross Domestic Product (millions of pesos) (1)	1,228,000	1,674,700	2,122,800	(2) 2,767,000	—	—
Gross Fixed Investment (millions of pesos) (1)	267,600	339,100	476,100	(2) 698,100	—	—
National Consumer Price Index (annual increase %)	*27.2%*	*20.7%*	*16.2%*	*20.0%*	*29.8%*	(3) *26.7%*
Petroleum Production						
Crude Oil, Condensate and *Natural Gas Liquids* (barrels per day)	876,587	1,085,550	1,329,579	1,618,001	2,129,465	—
Natural Gas (000 cubic *feet per day*)	2,108,600	2,046,200	2,561,400	2,916,600	3,548,000	—
Petroleum Reserves (millions of barrels)						
Crude Oil and Natural Gas Liquids	7,278	10,427	28,402	33,560	47,224	NA
Natural Gas (crude oil equivalent)	3,882	5,574	11,791	12,243	12,902	NA
Total	11,160	16,001	40,193	45,803	60,126	(4) 72,000
Petroleum Exports (millions of pounds)	256.4	*530.6*	*899.5*	*1,796.5*	*4,350.4*	—
Public Finance (billions of pesos) (5)						
Total Revenues	335.7	483.8	*632.8*	*868.4*	*1,217.6*	*1,634.3*
Total Expenditures	473.9	612.7	752.2	1,047.8	1,439.1	2,018.3
Deficit to be Financed	(138.2)	*(128.9)*	*(119.4)*	*(179.4)*	(6) *(181.8)*	(6) *(297.9)*
Exports (f.o.b.) (millions of pounds) (8)	1,949.3	2,301.3	*2,968.5*	3,964.9	6,402.1	—
Imports (millions of pounds) (8)	*3,544.7*	*3,067.6*	*3,876.4*	*5,401.4*	*7,767.5*	—
Balance of Trade (millions of pounds) (7) (8)	(1,595.4)	(766.3)	(907.9)	(1,436.5)	(1,365.4)	—
Total International Reserves (millions of pounds) (9)	1,384.9	1,682.7	2,097.0	2,579.0	3,030.4	(10) 5,650.5
External *Public debt (millions* of pounds)						
Short-Term	*2,150.3*	*1,427.7*	609.3	*646.7*	*666.4*	(11) *1,454.7*
Long-Term	9,311.7	10,568.1	12,329.0	12,697.3	14,445.6	14,664.1
Total	11,462.0	11,995.8	12,938.2	13,344.0	15,112.0	16,118.8

Notes

(1) Current prices.
(2) Preliminary.
(3) Reflects twelve-month increase from April 1980 to April 1981.
(4) At 1st September, 1981.
(5) Public finance includes revenues and expenditures of the Federal Government and the budget-controlled agencies.
(6) Budget for years ended 31st December. Adjustments have not been included.
(7) Imports are c.i.f. for years 1976 and 1977 and are f.o.b. for years 1978, 1979 and 1980.
(8) Excludes amounts attributable to border trade, exports of silver and operations of in-bond industries.
(9) Includes gold, silver, special drawing rights, foreign exchange holdings, and credit available from international financial institutions and certain countries.
(10) At 31st August, 1981.
(11) At 31st March, 1981.

The above summary is qualified in its entirety by reference to the detailed information and financial statements appearing elsewhere in this Prospectus.

UNITED MEXICAN STATES continued

PARTICULARS OF THE LOAN STOCK

The £50,000,000 Loan Stock 2008 (the "Stock") of the United Mexican States ("Mexico") was authorised by Directive Number 4625 dated 25th March, 1981 of the President of Mexico and will be issued pursuant to a Deed Poll (the "Deed Poll") to be entered into by Mexico. The following is a summary of, and is subject to, the detailed provisions of the Deed Poll, copies of which will be available for inspection at the specified offices of the Registrar and the Principal Paying Agent referred to below.

1. Status

The Stock will represent a direct, unconditional, general and (subject to the provisions below) unsecured obligation of Mexico and will rank at least *pari passu* with all other outstanding unsecured External Indebtedness (as hereinafter defined) of Mexico, present and future.

2. Negative Pledge

Mexico will undertake that it will *not* at any time while any part of the Stock is outstanding secure or permit to be secured any External Indebtedness of Mexico or any guarantee of any External Indebtedness of any other person by any mortgage, lien, pledge or other charge upon any of its present or future assets or revenues, without at the same time according to the Stock the same security or such other security as may be approved by an Extraordinary Resolution of the holders of the Stock (the "Stockholders"). *External Indebtedness* means all indebtedness which is expressed in, or capable of being discharged by payment of, a currency other than the national currency of Mexico and which is payable to a non-resident of Mexico.

3. Interest

The Stock will bear interest from 23rd September, 1981 at a rate per annum to be determined in accordance with "Determination of Rate of Interest and Issue Price" above. Interest will be payable by equal half-yearly instalments on 1st March and 1st September ("Interest Payment Dates") in each year except that the first payment of interest in respect of the period from 23rd September, 1981 will be calculated on the amount for the time being paid up on the Stock and on the basis of the number of days elapsed and a 365 day year.

4. Form

The Stock will be issued in registered form (hereinafter referred to as "Registered Stock") or, at the option of the holder, in bearer form (hereinafter referred to as "Bearer Stock"). Subject as hereinafter provided, Registered Stock may be exchanged in nominal amounts of £1,000 or integral multiples thereof for Bearer Stock and Bearer Stock may be exchanged for Registered Stock. Bearer Stock will be represented by bearer bonds which will be available in denominations of £1,000 and £10,000 each (the "Bearer Bonds") and on issue interest coupons ("Coupons") will be attached to each Bearer Bond in respect of each *Interest Payment* Date following the date of issue of such Bearer Bond, provided that, in the case of a Bearer Bond issued pursuant to an application received between the day following a Record Date (as hereinafter defined) and the immediately succeeding Interest Payment Date (inclusive), no Coupon will be attached in respect of that immediately succeeding Interest Payment Date.

Applications for Bearer Stock made on or before 1st December, 1981 must be made in accordance with the instructions contained in the allotment letter which will be despatched to persons to whom Stock is allotted (see "Delivery" above). On or after 15th December, 1981, applications for such exchange shall be made on the Forms of Exchange available at the specified offices of any of the Registrar, the Principal Paying and Exchange Agent and the *Paying Agents referred to below and shall be made* by the registered holders of Registered Stock or the holders of Bearer Bonds, as the case may be, lodging such forms duly completed at the specified office of the Exchange Agent. If any such application is lodged on or before 28th February, 1982, no charge will be made in respect of such exchange. After that date, such exchange will only be made on payment of such costs and expenses as may be incurred in connection therewith.

An application to exchange Registered Stock for Bearer Bonds shall have attached thereto the Stock Certificate(s) to which such application relates. An application to exchange Bearer Bonds for Registered Stock shall have attached thereto the Bearer Bond(s) to which such application relates together with all unmatured Coupons appertaining thereto. Failing presentation of all unmatured Coupons appertaining *to any Bearer Bond, no exchange shall* be made in respect thereof. In the case of an application received during the period commencing on the day following a Record Date and expiring on the day before the next Interest Payment Date, a Coupon falling due for payment on such Interest Payment Date shall, for the purposes of this paragraph be deemed to have matured. If the Stock Certificate(s) attached to an application for the exchange of Registered Stock for Bearer Bonds relate(s) to a greater nominal amount of Stock which is not an integral multiple of £1,000 the balance of such Stock will remain in registered form and a Stock Certificate will be issued to the holder in respect thereof. All applications for the exchange of Registered Stock for Bearer Bonds and vice versa will be irrevocable. The exchange shall take effect on receipt by the Exchange Agent of a duly completed Form of Exchange.

The initial Principal Paying Agent and the initial Exchange Agent will be National Westminster Bank Limited and its specified office is PO Box No. 297, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2ES. The initial Registrar will be National Westminster Bank Limited, Registrar's Department, PO Box 82, 37 Broad Street, Bristol BS99 7NH. Mexico reserves the right to terminate the appointment of the Principal Paying Agent, the Exchange Agent and the Registrar provided that no such termination shall take effect until a further principal paying agent or exchange agent having a specified office in London or a further registrar, as the case may be, has been appointed and notice of such appointment has been given to holders of Stock in accordance with "Notices" below.

Bearer Bonds issued in exchange for Registered Stock will be available for delivery at the specified office of the Exchange Agent, and Stock Certificates in respect of Registered Stock issued in exchange for Bearer Bonds will be despatched, in each case, as soon as practicable and in any event within three days of receipt of the relevant Form of Exchange duly completed, in accordance with the instructions contained therein.

5. Redemption and Purchase

(a) Unless previously redeemed or purchased and cancelled, the Stock will be redeemed at par on 1st September, 2008.

(b) Mexico will, at the option of any Stockholder, redeem on the Interest Payment Date falling in September in the years *1988* to *2007 inclusive, any Stock at par. To exercise the* redemption option a Stockholder must lodge with the Registrar or any Paying Agent not less than 45 days nor more than 60 days prior to such Interest Payment Date an application for redemption (in a form to be supplied by the Registrar or any Paying Agent) duly completed, together with the Certificate in respect of the Registered Stock or the Bearer Bonds (together with all unmatured Coupons appertaining thereto) in respect of which such option is to be exercised. Any such application for redemption will be irrevocable and any Certificates or Bearer Bonds so deposited may not be withdrawn.

(c) Mexico may at any time purchase Stock either on The Stock Exchange or on any other recognised securities market or by tender (available to all Stockholders alike) at any price or by private treaty at a price (exclusive of accrued interest and all costs of purchase) not exceeding 110 per cent of the middle market quotation for the Stock based on the Daily Official List of The Stock Exchange ruling on the previous dealing day, but not otherwise.

(d) All Stock redeemed or purchased as aforesaid shall be cancelled and will not be available for re-issue.

6. Payments

In the case of Registered Stock, payments of principal and interest will be made in pounds sterling by warrant, drawn on a Town Clearing Branch of a bank in the City of London, which will be sent at the holders' risk by post to persons who are registered as holders of Stock *at the close of business on the relevant* Record Date or to their nominated agents and made payable to such holders or as they may direct. In the case of joint holders, the warrant will be sent to the first-named unless instructions to the contrary are given in writing. The "Record Date" shall mean the thirtieth day before an Interest Payment Date but should such thirtieth day fall on a day on which the specified office of the Registrar is not open for business then the Record Date shall mean the first day thereafter on which such specified office is open for business.

In the case of Bearer Stock, payments of principal will only be made against surrender of the Bearer Bonds and payments of interest will only be made against surrender of Coupons at the specified office of the Paying Agent in London in pounds sterling or, at the option of the bearer, at the specified office of any Paying *Agent, by a cheque in pounds sterling drawn on*, or by transfer to an account maintained by the payee with, a bank in London, subject in each case to any laws or regulations applicable thereto.

If the due date for payment of any amount of principal or interest in respect of any Bearer Bond or Coupon is not a business day then the holder thereof shall not be entitled to payment of such amount until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay. In this paragraph "Payments", the expression "business day" means any day on which banks are open for business in the place where the specified office of the Paying Agent at which the Bearer Bond or Coupon is presented for payment is situated and (in the case of payment by transfer to an account maintained by the payee in London as referred to above) *on which dealings in pounds sterling* may be carried on both in London and in such place.

The initial Paying Agents and their specified offices are listed below. Mexico will at all times maintain a Paying Agent in London and in at least one country in Europe other than the United Kingdom. Holders of Stock will be notified in accordance with "Notices" below of the replacement of any Paying Agent, a change in its specified office or the appointment of additional paying agent(s).

7. Taxation

All payments of principal and interest will be made without deduction for or on account of any present or future taxes or duties of whatsoever nature now or hereafter imposed or levied by Mexico or any political subdivision or *taxing authority thereof or therein* or any federation or organisation of which Mexico is at the time of payment a member, unless Mexico is compelled by law to make payment subject to deduction for or on account of any such tax or duty.

In that event, Mexico shall pay such additional amounts of or in respect of principal or interest as may be necessary to ensure that the net amounts receivable after such deduction shall equal the respective amounts of principal and interest which would have been receivable in the absence of such deduction, provided that no such additional amount shall be payable with respect to any Stock the holder of which is liable to such taxes or duties by reason of his having some connection with Mexico other than the mere holding of Stock. References herein *to principal* and interest shall be deemed also to refer to any additional amounts which may be payable under this paragraph, "Taxation".

8. Events of Default

Upon the happening of any of the following events, the holder of any Stock may give notice to Mexico that the Stock registered in his name is immediately repayable and such Stock shall become repayable accordingly together in any such case with interest accrued to the date of repayment:—

(i) default for more than 30 days in the payment of principal or interest in respect of the Stock or any part of it; or

(ii) default in the performance of any other obligation of Mexico in respect of the Stock which *shall continue* for more than 30 days after written notice requiring such default to be remedied shall have been given to Mexico by any of the Stockholders; or

(iii) Mexico becomes bound to repay prematurely the whole or a substantial part of any other issue of stock, debentures, bonds, notes or similar securities which are denominated or payable or optionally payable in a currency other than the national currency of Mexico and which are or are intended to be listed or dealt in on any recognised stock exchange or over-the-counter market (whether initially issued by means of a public offer or private placement) by reason of a default by Mexico in its obligations in respect of the same, or fails to repay the principal amount of any such issue upon the maturity thereof or to pay when due any guarantee or indemnity in respect of the principal amount of any such issue (and such failure shall continue beyond any applicable grace period)

9. Prescription

Stockholders will cease to be entitled to amounts due in respect of principal and interest which remain unclaimed for a period of 10 years from the date on which the relevant payment first becomes due.

10. Title to Bearer Bonds and Coupons

Mexico and any Paying Agent may treat the holder of any Bearer Bond or Coupon as the absolute owner thereof (whether or not such Bearer Bond or such Coupon shall be overdue and notwithstanding any notice to the contrary or writing thereon) for the purposes of receiving payment and *for all other purposes*.

11. Notices

All notices shall be valid if despatched by post to the Stockholders at their registered addresses (in the case of joint holders to the address of the holder whose name stands first in the Register) and if published in one leading daily newspaper printed in the English language and with general circulation in London, or, if this is not practicable, in a newspaper having general circulation in Europe. It is expected, however, that publication of such notices will normally be made in the Financial Times. Any such notice shall be deemed to have been given on the later of the day following the date of such despatch and the date of such first publication.

12. Transfer

The Registered Stock will be registered and transferable in amounts and integral multiples of one penny and will be transferable by instrument in writing in the same manner as if the Stock were a security to which Section 1 of the Stock Transfer Act 1963 and the Stock Exchange (Completion of Bargains) Act 1976 applied. The Bearer Bonds will be transferable by delivery.

13. Modification of Rights

The conditions appertaining to the Stock and the provisions of the Deed Poll and the rights of the Stockholders will be subject to modification by Extraordinary Resolution of the Stockholders as provided in the Deed Poll.

14. Replacement of Stock Certificates, Bearer Bonds and Coupons

Should any Stock Certificate, Bearer Bond or unmatured Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified offices of either the Principal Paying Agent or the Registrar, upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as Mexico and the Principal Paying Agent or the Registrar (as the case may be) may reasonably require. Mutilated or defaced Stock Certificates must be surrendered before replacements will be issued.

15 Governing Law

The conditions appertaining to the Stock and the provisions of the Deed Poll will be governed by and construed in accordance with English law. Mexico will submit to the non-exclusive jurisdiction of the English courts for all purposes in connection with the Stock and will irrevocably appoint the Consul General of Mexico in London to accept service of any proceedings on its behalf. Mexico will irrevocably consent to the fullest extent permitted by law to the giving of any relief including, without limitation, the making, enforcement or execution against any property of any order or judgement made or given in connection with any such proceedings.

USE OF PROCEEDS

The net proceeds of the issue of the Stock will be utilised towards the economic *development* of Mexico.

STOCK EXCHANGE DEALING

The Stock in both registered and bearer forms will be dealt in on The Stock Exchange in London in the Gilt-edged market as a long-dated stock. It is expected that dealings on The Stock Exchange will begin on Friday, 18th September, 1981. Dealings from that date until and including Wednesday, 23rd September, 1981 will be for deferred settlement on Thursday, 24th September, 1981. Thereafter, the Stock will normally be traded for settlement and delivery on the working day after the date of the transaction. The price of the Stock will be quoted inclusive of accrued interest.

UNITED KINGDOM TAXATION

In the case of interest payable in respect of Registered Stock through a registrar in the United Kingdom, United Kingdom income tax will be deducted from each payment except that: (i) under current Inland Revenue practice, payments will be made gross to holders whose registered addresses are outside the United Kingdom provided that the payments are made *direct* to an address abroad other than a branch of a United Kingdom bank; and (ii) holders who are not resident in the United Kingdom for tax purposes may apply by sending a claim form A3 to the Inspector of Foreign Dividends for exemption from United Kingdom income tax on grounds of non-residence.

In the case of interest payable in respect of Bearer Stock through a paying agent in the United Kingdom, United Kingdom income tax will be deducted from each payment in the absence of an affidavit to the effect that the beneficial owner of the Stock is not resident in the United Kingdom for tax purposes.

Under current Inland Revenue practice, a bank in the United Kingdom recognised as such by the Inland Revenue may receive interest payments (whether in respect of Registered Stock or Bearer Stock) *without deduction of tax if it certifies* on the occasion of each such payment that it owns the underlying Stock and is beneficially entitled to the interest.

Stockholders who are liable to United Kingdom tax on capital gains should note that the provision in section 67 of the Capital Gains Tax Act 1979 which exempts from tax capital gains on Gilt-edged securities (as defined for such purposes) held for more than 12 months will not apply to the Stock.

UNITED MEXICAN STATES

Area and Population

The United Mexican States is a nation comprised of 31 states and the Federal District, which contains Mexico City, the nation's capital. Mexico is the third largest nation in Latin America, consisting of 761,895 square miles. The country shares borders with the United States to the north and Guatemala and Belize to the south, and has long coastlines with ports on both the Gulf of Mexico and the Pacific Ocean.

Mexico is the second most populous nation in Latin America, with a population of 67.4 million as of 4 June, 1980. Mexico's three largest cities are Mexico City, Guadalajara and Monterrey, with estimated populations at 30 June, 1979 of 14.8 million, 2.5 million and 2.0 million, respectively. Improved economic and social conditions and better medical care have greatly increased the average life expectancy and have decreased the infant mortality rate by nearly two-thirds over the last four decades. This in turn has resulted in an average annual rate of population growth of 3.4% in the last ten years, but declining birth rates in urban areas, where approximately 65% of the population lives, and among women under 35 are expected to result in a moderation of the rate of increase during the 1980s. During 1980 the population grew at an annual rate of 2.7%. Government efforts are being focused on family planning and on encouraging broader distribution of the population within the country.

Form of Government and Political Parties

The present form of government was established by the Political Constitution of the United Mexican States, which took effect on 1 May, 1917 and reflects the objectives of the Revolution of 1910. The Constitution establishes Mexico as a federated republic and vests in the Federal Government responsibility for most important governmental functions other than those of a primarily local or regional nature.

The Constitution divides Federal power among the executive, legislative and judicial branches. The President and the Congress are elected by popular vote of all Mexicans over 18 years of age.

Executive authority is vested in the President, who is elected for a six year term by direct popular vote. The current President of Mexico is Jose Lopez Portillo, whose term expires on 1 December, 1982. The Constitution provides that the President may serve only one term and can never be reelected. The executive branch also consists of Secretaries, Department Heads, the Attorney General and the Attorney General for Consumer Affairs, all of whom are appointed by the President.

Legislative power is vested in a bicameral Congress composed of the Senate and the Chamber of Deputies. Senators serve a six year term. Deputies serve a three year term, and neither may serve consecutive terms. The Senate is composed of two Senators from each state and two from the Federal District. The Chamber of Deputies is composed of up to 400 Deputies, of whom 300 are elected from the various electoral districts, and up to 100 of whom are appointed according to the share of the vote received by each minority party. The Constitution provides procedures for the President to veto bills and for Congress to override such veto.

The Partido Revolucionario Institucional ("PRI") is the dominant political party in Mexico and has held a majority in Congress and won all presidential elections since 1929. The PRI holds 63 of the 64 seats in the Senate and 296 of the 300 electoral district seats in the Chamber of Deputies. There are six other political parties which hold seats in the Chamber of Deputies. The number of seats each holds is as follows: Partido de Accion Nacional (43), the Partido Popular Socialista (11), the Partido Autentico de la Revolucion Mexicana (12), the Partido Communista Mexicano (18), the Partido Democratico Mexicano (10) and the Partido Socialista de los Trabajadores (10).

Judicial power is vested in the Supreme Court of Justice, circuit courts, district courts and other courts. The Supreme Court has 21 members who are appointed *for life* by the President and ratified by the Senate.

External Affairs and International Organisations

Mexico has diplomatic relations with 135 countries throughout the world. It is a charter member of the United Nations and is a founding member of the Organisation of American States ("OAS"), the International Monetary Fund ("IMF"), the International Bank for Reconstruction and Development ("World Bank") and the Inter-American Development Bank ("IDB"). Mexico is a member of the Interim Committee for the Reform of the International Monetary System and a member of the Development Committee of the IMF and the World Bank.

Mexico was a party to the Conference of Montevideo in 1960 which established a regional trade organisation called the Latin American Free Trade Association ("LAFTA"), whose function was taken over in 1980 by the Latin American Integration Association ("LAIA"). Mexico and most other member nations of the OAS were parties to the Act of Bogota in 1960 and the Charter of Punta del Este in 1961, under which the Latin American nations and the United States adopted the principles known as the Alliance for Progress.

Mexico is a member of the Latin-American Economic System ("SELA") which was formed in 1975 with the participation of 26 Latin American and Caribbean countries. The member nations of SELA agreed to establish a permanent system to coordinate external economic policies that will favour the interests and integrate the economies of its member countries.

THE ECONOMY

General

Prior to World War II, the Mexican economy was based principally on agriculture and mining. Since that time, the economy has become increasingly diversified and industrialised. Industrial output, including the extractive and construction industries, accounted for approximately 39% of total gross domestic product in 1980 as compared to 30% in 1950. Mexico is currently self-sufficient in many agricultural products and most minerals.

In recent years Mexico has become a significant producer and exporter of petroleum and related products.

Gross Domestic Product

During the period 1975 to 1979 gross domestic product ("GDP") increased at a compound annual growth rate of 29% in current prices and 5.1% in constant prices. After a period of relatively slow growth in 1976 and 1977, during which GDP in constant prices grew by 2.1% and 3.3%, respectively, GDP in constant prices grew by 7.3% in 1978 and 8.0% in 1979. During 1980 the economy experienced a real growth of 7.4%.

Areas of growth in GDP during 1980 measured in constant 1960 prices included petroleum and derivatives (17.5%), basic petrochemicals (12.0%), construction (12.8%), transportation and communications (10.5%), electricity (6.5%), manufacturing (5.6%), and agriculture, livestock, forestry and fishing (5.3%).

The following tables set forth GDP and expenditures for the years 1975 to 1979.

Gross Domestic Product and Expenditures

	Year ended 31 December,				
	1975	1976	1977	1978(1)	1979(1)
	(Millions of Pesos)				
Gross Domestic Product at Current Prices	988,300	1,228,000	1,674,700	2,122,800	2,767,000
Add: Imports of Goods and Services	123,874	148,378	194,136	262,558	390,404
Total Supply of Goods and Services	1,112,174	1,376,378	1,868,836	2,385,358	3,157,404
Less: Exports of Goods and Services	82,734	119,102	192,025	244,691	341,986
Total Goods and Services Available for Domestic Expenditure	1,029,440	1,257,276	1,676,811	2,140,667	2,815,418
Allocation of Total Goods and Services:					
Private Consumption (2)	697,754	839,713	1,142,159	1,424,038	1,800,290
Public Consumption (3)	109,986	149,963	195,552	240,529	317,028
Total Consumption	807,740	989,676	1,337,711	1,664,567	2,117,318
Private Gross Fixed Investment	125,933	158,989	198,998	258,718	384,349
Public Gross Fixed Investment (3)	95,767	108,611	140,102	217,382	313,751
Total Gross Fixed Investment	221,700	267,600	339,100	476,100	698,100
Total Domestic Expenditures	1,029,440	1,257,276	1,676,811	2,140,667	2,815,418

Percentages of Gross Domestic Product

Gross Domestic Product at Current Prices	100.0%	100.0%	100.0%	100.0%	100.0%
Add: Imports of Goods and Services	12.5	12.1	11.6	12.4	14.1
Less: Exports of Goods and Services	8.4	9.7	11.5	11.5	12.4
Total Goods and Services Available for Domestic Expenditure	104.1%	102.4%	100.1%	100.9%	101.7%
Allocation of Total Goods and Services:					
Private Consumption (2)	70.6%	68.4%	68.2%	67.1%	65.1%
Public Consumption (3)	11.1	12.2	11.7	11.4	11.4
Total Consumption	81.7%	80.6%	79.9%	78.5%	76.5%
Private Gross Fixed Investment	12.7	12.9	11.8	12.2	13.9
Public Gross Fixed Investment (3)	9.7	8.9	8.4	10.2	11.3
Total Gross Fixed Investment	22.4%	21.8%	20.2%	22.4%	25.2%
Total Domestic Expenditure	104.1%	102.4%	100.1%	100.9%	101.7%
Gross Domestic Product at Constant 1960 Prices (in millions of pesos)	390,300	398,600	411,600	441,600	476,900
Annual Percentage Increase at Constant 1960 Prices	4.1%	2.1%	3.3%	7.3%	8.0%
Per Capita Gross Domestic Product at Current Prices (pesos)	16,432	20,247	26,643	31,555	41,053

(1) Preliminary.
(2) Includes changes in inventories.
(3) Includes amounts for the Federal Government and its budget-controlled and administratively-controlled agencies.

The following table sets forth the contribution to Mexico's GDP in current prices by major sectors for the years indicated:

Contribution to Gross Domestic Product by major sectors

	Year ended 31 December,					As % of GDP	
	1975	1976	1977	1978	1979(1)	1975	1979
	(Millions of Pesos)						
Agriculture	70,399	89,907	118,020	147,186	172,434	7.1%	6.2%
Livestock	24,539	32,036	48,489	63,417	85,552	2.5	3.1
Forestry	3,189	4,269	5,917	7,625	12,497	0.3	0.5
Fishing	1,800	2,371	4,156	5,246	7,262	0.2	0.3
Mining	10,701	13,802	21,284	23,159	31,518	1.1	1.1
Petroleum, Coke, Basic Petrochemicals	31,304	37,431	64,141	83,119	132,371	3.2	4.8
Manufacturing (2)	227,147	289,827	405,696	513,033	658,692	23.0	23.8
Construction	63,290	78,121	99,106	134,561	186,580	6.4	6.7
Electricity	11,171	14,891	23,628	25,400	32,563	1.1	1.2
Transportation and Communications	29,013	36,197	52,968	68,916	87,760	2.9	3.2
Commerce	288,249	334,536	447,689	573,361	744,390	29.2	26.9
Services	238,423	308,847	398,910	500,005	645,577	24.1	23.3
Subtotal	999,225	1,242,235	1,690,004	2,145,028	2,797,196	101.1	101.1
Less: Adjustment for Banking Services	10,925	14,235	15,304	22,228	30,196	1.1	1.1
Total Gross Domestic Product	988,300	1,228,000	1,674,700	2,122,800	2,767,000	100.0%	100.0%

(1) Preliminary.
(2) Manufacturing sector includes secondary petrochemicals.

Price Levels

During the period 1960 to 1971, the money supply was limited to an average annual growth rate of 10.4% which, in conjunction with an annual real GDP growth rate of 6.8% and stable prices of imported goods, kept inflation at a 2.7% average annual rate. Since the end of 1972, however, Mexico has experienced a sharply higher inflation rate, mainly because of substantial increases in the money supply, the rapid growth of Government expenditures, the expansion of aggregate demand, bottlenecks inhibiting increased production and higher import prices. The removal of the fixed exchange rate of the peso on 31 August 1976, the subsequent decontrol of prices on many items and the adjustment of certain public utility and transport rates also contributed to higher inflation. In addition, speculation concerning the imposition of the Value Added Tax on 1 January 1980 contributed to the sharp increases in price levels during the beginning of 1980. The annual percentage changes in the National Consumer Price Index during 1978, 1979 and 1980 were 16.2%, 20.0% and 29.8% respectively. From April 1980 to April 1981 the change was 28.7%.

The Role of the Government in the Economy

Both the public and private sectors play an important role in the Mexican economy. The Government's economic role is generally implemented through a number of decentralised public agencies. The principal public agencies include Petroleos Mexicanos ("Pemex"), which is charged with the development of Mexico's petroleum resources and marketing of all petroleum products and basic petrochemicals; Comision Federal de Electricidad, which is responsible for the major portion of Mexico's electric power; and Ferrocarriles Nacionales de Mexico, which operates the nation's railroads. The Government also supports the economy through national credit institutions, which are not budget-controlled agencies, including Nacional Financiera, S.A. and Banco Nacional de Obras y Servicios Publicos, S.A., which assist in the financing of governmental development projects, and Banco Nacional de Credito Rural, S.A., which assists in the flow and planning of rural credit facilities.

The following table sets forth the investment of the Federal Government and the budget-controlled agencies for the years indicated (see "Public Finance—General"):

Investment of the Federal Government and budget-controlled agencies

	Year ended 31 December,					
	1976	1977	1978	1979	Budget 1980	Budget 1981
Total Investment (Millions of pesos)	94,028	112,156	169,440	241,634	354,917	684,000
Investment Programme (%)						
Industry	45.9%	45.2%	59.0%	55.0%	53.1%	40.8%
Welfare	14.5	13.8	8.3	9.4	8.6	28.9
Transportation and Communications	19.2	18.9	11.0	13.9	16.3	11.3
Agricultural and Rural Development	14.8	18.6	19.8	20.1	20.6	15.9
Tourism	1.3	0.7	0.5	0.3	0.3	0.4
Defence	4.3	2.8	1.4	1.3	1.1	2.7
	100%	100%	100%	100%	100%	100%

The Government promotes and directs private enterprise in the commercial and industrial sectors of the economy. The Government influences the level and nature of private investment in certain economic activities by granting the concessions required for regulated enterprises, such as mining; by regulating the issue of import licences for raw materials and capital goods; by restricting the importation of foreign goods competitive with items produced domestically; and by credit policy. The Government also provides fiscal incentives, in the form of temporary relief from income and other taxes and from export and import duties, to encourage certain new industries, to stimulate exports, to decentralise industrial production geographically and to increase agricultural production.

UNITED MEXICAN STATES *continued*

The General Development Plan 1980-1982

The cornerstone of the Government's economic and social policy during the period 1980 to 1982 is the General Development Plan (the "Plan") for such period. The Plan identifies national economic and social problems, calls for specific action by the public sector and establishes guidelines for participation by the private sector.

The Plan sets forth reforms in all sectors of the economy to promote industrialisation, obtain high levels of employment and meet the social needs of the Mexican population. It also coordinates and extends certain social, economic, political and administrative reforms already instituted by the present Administration. Measured exploitation of Mexico's oil reserves will provide major support to the implementation of the Plan. The Plan's energy policy calls for extraction and use of petroleum and petroleum products in such a manner as to provide substantial long-term income. (See "Petroleum and Petrochemicals").

Employment is a high priority of the Plan. The Government is committed to improving employment opportunities and ensuring that high levels of employment exist throughout the public and private sectors. Meeting these objectives will be dependent upon continued economic growth, public and private investment and the Government's support of developing industries.

Inflation continues to pose a persistent problem for the Mexican economy and the Plan has as one of its objectives the slowing of the inflation rate. However, the Government does not intend to reduce the rate of inflation at the cost of slowing the economy's growth or the creation of jobs. Instead, the Government expects to ease inflationary pressures by stimulating domestic supply and productivity, regulating prices of basic commodities, directing Government spending to priority needs such as agriculture, energy, education and social welfare and eliminating inefficiencies which impose unnecessary costs.

The Plan also addresses the serious problems associated with the growth of large urban areas such as Mexico City, Guadalajara and Monterrey. The Government has taken steps to ease these problems through tax and other incentives to encourage the location of new industry in less densely populated areas. In addition, the Government is making public investment in local infrastructure to promote regional economic development. The Government also plans to continue its efforts to reduce the population growth rate.

The specific goals the Plan expects to achieve by 1982 include an annual real growth rate of 8% in gross domestic product and a reduction of the population growth rate to 2.5%. It is anticipated that average real growth in public investment for the years 1981 and 1982 will be at least 14%, and if the current pattern of imports and exports continues, the specific goal of the Plan is to maintain a current account deficit of slightly below 1% of the estimated gross domestic product.

The Plan contains financial incentives to foster capital formation, especially for small and medium-sized companies which produce capital goods or basic commodities. In addition, the Government plans to maintain a policy of flexible interest rates to encourage domestic savings and to channel credit into priority areas, particularly the rural sections of the country.

Continued expansion of the economy will be supported by the Government through, among other things, direct public investment, the diversification of resources for domestic financing, the strengthening of the securities markets and the restructuring of the tax laws to eliminate distortions and stimulate savings. The Government will place increased emphasis on fostering exports and improving Mexico's international competitiveness. According to the Plan, protective trade barriers will be reviewed and a gradual opening up of the Mexican economy to world goods will occur, consistent with domestic objectives.

During 1980 some of the objectives set out in the Plan began to be achieved, for example in the areas of GDP, employment, population and investment.

Petroleum and Petrochemicals

General. The Mexican petroleum and natural gas industry, including exploration, production, refining, distribution, and the manufacture and first-state sale of basic petrochemicals and certain other derivatives, is entrusted by the Constitution and Federal Law solely to Petroleos Mexicanos ("Pemex"), a decentralised public agency which is wholly-owned by the Mexican Government. Pemex is the largest enterprise in Mexico, with total assets of £13,299.9 million at 31 December, 1980, and net sales of £6,022.6 million for the year ended 31 December, 1980. Prices for Pemex's products are set by the Government. Mexico is not a member of the Organisation of Petroleum Exporting Countries.

The non-renewable nature of oil resources has imposed the need for a national policy for oil exploitation in order to create a permanent source of income. The target set by the Development Plan for oil production at year end 1982 was 2.5 million barrels per day (BPD), although this target was reached in December 1980. Average daily production for 1980 was approximately 1.9 million BPD.

In 1980 the petroleum industry, excluding secondary petrochemicals, contributed 23.7% of current Government revenues (11.5% in 1979). For 1980 this industry provided 67.8% of the total value of exports (46.4% in 1979).

Oil and natural gas supply the majority of Mexico's primary energy requirements, including that needed to generate approximately 55% of the electric output of the nation. Mexico is self-sufficient in both crude oil and natural gas; Pemex currently produces more than 99% of the country's total requirements for refined products. Mexico became a net exporter of petroleum products in 1975 with the development of new discoveries in the Reforma area of southern Mexico. In 1980 Mexico exported an average of 827,750 BPD of crude oil worth a total of £3,952.0 million, representing a 147.9% increase over the previous year.

Pemex pays taxes to the Government based on total revenues at a rate of 15% for petrochemicals and 27% for all other products. Exports of crude oil are subject to a 59.35% tax on gross sales (including a 1% ad valorem tax). Total tax revenue received by the Government from Pemex has grown from P8,598 million in 1975 to P163,688 million in 1980.

Reserves and Exploration. Mexico currently has proven petroleum and natural gas reserves equivalent to approximately 72 billion barrels, which are the fourth largest in the world. Proven reserves are determined according to the American Petroleum Institute's methods of measurement, using international reservoir engineering principles and include those reserves which are expected to be produced through primary and secondary recovery, using existing technology and operating methods at current levels of production costs and petroleum prices, but do not include the areas where new petroleum discoveries have been made and not yet placed into production. In addition, probable reserves are estimated at 58.6 billion barrels and potential reserves (including probable reserves) are estimated at 250 billion barrels.

The table below sets forth Mexico's proven reserves of crude oil and natural gas liquids and natural gas from 1976 to 1980, and as of 18 March, 1981, and the total of the above as of 1 September, 1981.

Total Proven Reserves

	As of 31 December,					As of 18 March,	As of 1 September,
	1976	1977	1978	1979	1980	1981	1981
Crude Oil and Natural Gas Liquids (millions of barrels)	7,278	10,427	28,403	33,560	47,224	53,023	N.A.
Natural Gas (equivalent of crude oil in millions of barrels)	3,882	5,574	11,791	12,243	12,902	14,807	N.A.
Total	11,160	16,001	40,194	45,803	60,126	67,830	72,000

Prior to 1975, Pemex's exploration efforts were concentrated in the Gulf of Mexico coastal plain area, where substantially all of the country's oil and gas fields had been discovered. Since 1975, however, Pemex has increased its exploration activities in other regions. The significant increase in proven reserves between 1977 and 1978 is the result of exploration and drilling efforts in the Reforma area in southern Mexico and the increase from 1979 to 1980 is the result of exploration and drilling efforts in the Campeche Gulf, Chiapas-Tabasco Sabinas and Chicontepec areas. Approximately P6,112.1 million or 37.0% of the P16,519.3 million exploration budget for 1980 was allocated to evaluation of geological basins in which prior exploration has yielded encouraging results, such as Baja California and the southern offshore zone.

Production and Refining. The following table sets forth average daily production rates for crude oil and condensate, natural gas liquids and natural gas in each of the years 1976 to 1980.

Pemex Average Daily Production

	Year ended 31 December,				
	1976	1977	1978	1979	1980
Crude Oil and Condensate (BPD)	800,864	981,069	1,212,622	1,471,030	1,936,047
Natural Gas Liquids (BPD)	75,723	104,481	116,957	146,971	193,418
Total Crude Oil, Condensate and Natural Gas Liquids (BPD)	876,587	1,085,550	1,329,579	1,618,001	2,129,465
Refinery Runs (BPD)	737,743	829,234	889,678	964,806	1,148,900
Natural Gas ('000 cubic feet per day)	2,108,600	2,046,200	2,561,400	2,916,600	3,548,000

Production rates for 1980 averaged 1,936,047 BPD for crude oil and condensates, 193,418 BPD for natural gas liquids and 3,548 million cubic feet per day for natural gas.

Pemex's principal refining activities are concentrated in seven major refineries and two smaller installations. At 31 December, 1980, Pemex's total refining capacity was 1,476,000 BPD with an average 45.7% yield of petroleum distillates. Total production of refined products amounted to 1,148,900 BPD in 1980, or 77.8% of refining capacity. This number represents an increase of 73.4% in refined production since 1975. Pemex is engaged in a programme to expand and upgrade its refining capacity through the construction of five major new refining complexes. The total cost of these five refineries over the period 1980-1982 is expected to be US$1.0 billion.

During 1980, Pemex produced an aggregate of 3,548.0 million cubic feet per day of natural gas. It has ten cryogenic plants capable of processing 2,492 million cubic feet per day and four absorption plants with a processing capacity of 1,525 million cubic feet per day. Eight additional cryogenic natural gas processing plants with an aggregate capacity of 4,000 million cubic feet per day are currently under construction. Approximately 24% of natural gas production was flared in 1976, 13% in 1977 and 1978, 12.4% in 1979 and 12% in 1980.

Distribution. Pemex-owned natural gas and product pipelines connect the major producing areas with Mexico City, Guadalajara, Monterrey and Chihuahua. At the end of 1980, Pemex's pipeline facilities consisted of 5,608.1 kilometres for crude oil and natural gas liquids, 8,593 kilometres for natural gas and 6,999 kilometres for finished products. Several major pipelines are at present under construction or in various planning stages.

Petrochemicals. Pemex produced 7.2 million metric tonnes of basic petrochemicals in 1980. At the end of 1980 Pemex was producing 38 basic petrochemical derivatives. It has established as an operating priority the supply of basic feedstock for manufacturing companies. Pemex has 81 petrochemical plants in operation with an aggregate capacity of 8,886,453 metric tonnes per year and 32 additional petrochemical plants are under construction. Major expansion is anticipated in the production of ammonia, ethylene and polyethylene and in the utilisation of natural gas liquids as feedstocks and aromatics.

Under Mexican law, the Government may grant licences for the manufacture of secondary petrochemicals to private companies whose share capital is at least 60% owned by Mexican nationals.

Exports and Imports of Petroleum Products

Exports and imports of oil and gas products for the periods indicated are as follows:

Volume of Petroleum Exports and Imports

	Year ended 31 December,				
	1976	1977	1978	1979	1980(1)
Exports:					
Crude oil (BPD)	94,180	202,016	365,060	672,200	827,750
Refined products (BPD)	3,335	4,525	1,844	10,141	46,403
Petrochemicals (tons per day)	—	83	1,920	2,055	2,063
Natural gas ('000 cubic feet per day)	—	—	—	—	280,900
Imports:					
Refined products (BPD)	25,371	9,493	29,088	27,054	14,831
Petrochemicals (tons per day)	865	1,261	1,330	1,386	2,062

(1) Preliminary

Value of Petroleum Exports and Imports

	Year ended 31 December,				
	1976	1977	1978	1979	1980
	(Millions of Pounds)				
Exports:					
Crude oil	246.9	514.2	861.8	1,717.6	3,952.0
Natural gas	—	2.8	—	—	187.3
Refined and other petroleum products	9.3	11.9	4.6	30.5	160.7
Petrochemicals	0.2	1.7	33.1	48.4	50.4
	256.4	530.6	899.5	1,796.5	4,350.4
Imports:					
Refined and other petroleum products	74.1	26.9	70.5	94.0	101.6
Petrochemicals	61.0	81.5	80.1	149.4	218.7
	135.1	108.4	150.6	243.4	320.3
Net exports	121.3	422.2	748.9	1,553.1	4,030.1
Percentage increase from preceding year	38.4	248.1	77.4	107.4	159.5

The following table sets forth Pemex's principal export markets for the years 1978, 1979 and 1980.

Principal Export Markets

	Year ended 31 December,		
	1978	1979	1980(1)
	(Thousands of Pounds)		
Brazil	3,754.7	13,785.0	103,189.9
France	—	3,212.2	205,198.7
Israel	52,111.6	135,945.5	265,980.8
Japan	2,248.2	—	171,115.8
Spain	35,672.9	157,177.6	476,534.9
United States	781,107.5	1,440,021.6	2,975,971.1
Other	24,579.7	46,418.7	144,585.1
Total	899,474.6	1,796,560.6	4,342,576.3

(1) Preliminary

Manufacturing

The industrial development of Mexico during the past ten years has been marked by rapid growth in manufacturing evidenced by increased output, greater integration of processes and wider diversification of products. In 1979, 24% of Mexico's GDP was contributed by the manufacturing sector. The growth in manufacturing has been stimulated by Government policies emphasising the development of the economic infrastructure and encouraging the use of Mexican raw materials and resources, the substitution of domestically manufactured consumer goods for imported products and the export of industrial goods.

Manufacturing, measured in terms of constant prices, grew by 3.5% in 1976, 3.6% in 1977, 9.0% in 1978, 9.2% in 1979 and 5.6% in 1980. The growth in 1980 consisted of a 6.2% increase in capital goods and a 4.8% increase in consumer goods. During 1980 industries which achieved significant growth measured in constant 1960 prices included petroleum and derivatives (17.5%) and construction (12.8%).

Mexico has achieved self-sufficiency in a significant number of steel products. During 1980 the Mexican steel industry produced approximately 7 million tons of steel. The overall installed capacity of the steel sector totalled more than 9 million tons at 1 January, 1980 and is projected to exceed 14 million tons by 1990. As part of its programme to increase steel capacity, the Government is developing the Las Truchas steel complex in the State of Michoacan, which includes the largest steel plant in Latin America.

The Mexican automotive industry has also experienced significant growth in recent years; it produced 303,056 automobiles in 1980. From 1977 to 1980, the production of new automobiles increased by 62% and the production of trucks and buses increased by 100.6%. Between 1977 and 1980, the portion of domestically produced parts used in automobile manufacturing grew from 50% to 58.3% and between 1976 and 1980 exports of finished vehicles grew from 4,172 to 18,245 units.

Industrialisation through in-bond industries is being stimulated in the areas bordering the United States. Under the in-bond programme, producers process semi-finished products supplied from the United States for re-export to that country. Such products include electronic products, household appliances and finished textile products.

Agriculture and Livestock

Mexico's topography and climate combine to limit the area which may be cultivated to an estimated 57 million acres or about 11.7% of the total area. in 1979 approximately 33.1 million acres were harvested, of which approximately 10.2 million acres were irrigated. In order to improve agricultural productivity, the Government is continuing to expand the nation's irrigation system. Irrigation projects are estimated to have added 1.9 million acres to the irrigation system since 1970.

Agriculture, livestock and fisheries employed approximately one-third of the economically active population, but only contributed approximately 9.6% of Mexico's GDP in 1979. During the 1976-1980 period agricultural exports contributed significantly to Mexico's external trade and averaged 24.7% of total exports. Mexico is the world's leading exporter of tomatoes, the fourth largest exporter of coffee and an important exporter of cotton, cattle and vegetables. The principal export market continues to be the United States. Although Mexico has traditionally been self-sufficient in many food products, in recent years it has had to import large amounts of grain and other staple foods to fulfil domestic demand.

The following table sets forth selected agricultural production figures for the years 1976-1980.

Agricultural Production

Volume of Production

	Year ended 31 December,				
	1976	1977	1978	1979	1980(1)
	(Thousands of Tons)				
Corn	8,017	10,174	10,930	8,752	12,383
Sorghum	4,027	4,273	4,193	3,708	4,812
Cotton	224	416	366	578	538
Wheat	3,363	2,456	2,785	2,272	2,785
Coffee	212	182	242	228	N.A.
Sugar Cane	31,387	30,390	35,475	35,415	N.A.
Beans	740	762	949	555	971
Rice	463	567	401	481	456

Value of Production

	1976	1977	1978	1979	1980(1)
	(Millions of Pesos)				
Corn	17,373	28,838	31,830	30,194	59,330
Sorghum	6,883	8,530	9,419	9,515	16,776
Cotton	6,073	11,529	11,152	17,920	10,809
Wheat	5,848	5,224	7,253	6,998	9,887
Coffee	10,002	8,427	11,764	11,856	N.A.
Sugar Cane	5,316	6,848	8,685	7,968	N.A.
Beans	3,477	4,107	7,058	4,706	14,570
Rice	1,402	1,709	1,425	1,756	2,746

(1) Preliminary

In 1979, production in the agricultural sector registered slight decreases in volume and value, due to adverse weather conditions, including flooding, frost and drought, especially in the non-irrigated areas. In 1980, although the rainy season started a month later than expected, overall production was higher than in 1979, primarily due to emphasis on cultivation of irrigated areas and improved weather conditions.

The Government's policy accords the agricultural sector high national priority. An objective of the present Administration is to increase the efficiency of the agricultural sector by increasing the availability of credit, machinery, better seeds and fertiliser and by consolidating small plots into larger units of production.

Rural Development. In 1973, the Government began a nationwide programme for rural development called PIDER, to redistribute income and production capacity to poorer communities which have not been included in other programmes. PIDER has instituted numerous projects including irrigation, soil and water conservation, technical farming assistance, livestock development, fruit production, forestry and fishery development, feeder roads and rural electrification.

In addition COPLAMAR, a Government commission, coordinates and integrates various public programmes to develop targetted areas and to improve the living standards for those areas. During 1979 and 1980 COPLAMAR signed agreements with several Government agencies to operate 2,000 new medical units in rural areas, supply staple food products to more than 10 million persons, build new school facilities in 4,500 communities and provide suitable housing and a potable water supply in rural areas. It is expected that as a result of such agreements, 200,000 permanent jobs will be created in rural areas.

The Mexican Government has implemented an inter-agency programme called the Mexican Food Supply System ("SAM") to coordinate Government efforts aimed at ensuring sufficient production of foodstuffs and efficient distribution and marketing of such foodstuffs to lower income groups. SAM's programmes are intended to achieve the goals of self-sufficiency in the production of corn and beans in 1982 and of wheat, rice, safflower and sorghum in 1985. Fishing and fish-farming industries and meal production projects are also included in the programme's plans. In addition, the programme develops research projects to improve the processing and enrichment of agricultural products to satisfy nutritional needs.

SAM provides for Government sharing of the risks of agricultural production through an insurance programme and subsidising of fertilisers and special seeds for the targetted areas.

Fertilizantes Mexicanos ("Fertimex") is a government enterprise which promotes the expansion of fertiliser production and distribution, especially to non-irrigated arable land and areas included in the SAM programme. Fertimex has increased production of fertilisers from 1.8 million tons in 1976 to 2.4 million tons in 1980, a 7.5% compound annual growth rate, and the Government plans to invest an additional 17.8 billion pesos to increase production to 6.4 million tons by 1982. Mexico is at present virtually self-sufficient in the production of nitrogen-based fertilisers.

Mining

Mexico has substantial and varied mineral resources. It is the world's largest producer of silver and fluorite, the third largest producer of barite and antimony and the fourth largest producer of sulphur, lead and bismuth. Mexico's production of minerals satisfies most of its industrial needs and enables it to export silver, fluorite, barite, sulphur, lead and zinc. Mining accounted for 1.1% of GDP in 1979 and provided 3.6% of export earnings.

Under Constitutional provisions relating to Government ownership of subsurface resources, mining may only be carried on by the Government or under concessions granted to private Mexican enterprises which may have limited foreign participation. Mining companies, either privately-owned or with government participation, have initiated a series of large projects both to develop new mines and to enlarge and modernise existing facilities.

The production, value and revenues from export of the principal minerals are as follows:

Mining

Volume of Production

		Year ended 31 December,				
Product	Unit	1976	1977	1978	1979	1980(1)
Gold	Kg.	5,064	6,616	6,283	5,911	6,090
Silver	Tons	1,526	1,463	1,579	1,537	1,477
Lead	Tons	164,821	163,479	170,533	173,455	145,620
Copper	Tons	88,970	89,662	87,186	107,109	174,008
Zinc	Tons	259,183	265,469	244,892	245,477	236,050
Coal	'000 Tons	2,188	2,437	2,491	2,589	2,381
Iron	'000 Tons	3,644	3,587	3,556	4,041	4,048
Sulphur	'000 Tons	2,150	1,856	1,818	2,025	2,102
Fluorite	'000 Tons	897	660	960	875	904

Value of Production

	Year ended 31 December,				
Product	1976	1977	1978	1979	1980(1)
	(Millions of Pesos)				
Gold	331	722	896	1,353	2,831
Silver	2,993	4,901	6,238	12,663	22,557
Lead	1,256	2,421	2,401	4,120	3,233
Copper	1,678	2,515	2,669	4,591	8,608
Zinc	3,061	4,608	3,153	4,281	4,197
Coal	1,236	1,377	1,407	1,463	1,346
Iron	1,900	3,218	2,289	2,031	2,508
Sulphur	1,805	2,492	1,805	2,156	3,437
Fluorite	855	1,043	1,545	1,484	1,884

Value of Exports

	Year ended 31 December,				
Product	1976	1977	1978	1979	1980(1)
	(Thousands of Pounds)				
Silver	(2)	96,822.9	118,971.8	229,698.1	N.A.
Zinc	65,472.7	28,787.5	46,983.1	45,365.5	44,953.2
Lead	16,916.5	15,943.2	28,835.3	36,189.7	26,407.8
Sulphur	28,287.5	26,634.9	25,822.8	35,660.2	34,962.4
Fluorite	23,192.2	23,085.9	21,552.0	22,695.4	28,673.4
Salt	14,406.2	15,594.3	14,407.8	14,845.0	21,339.6
Copper	6,850.7	16,675.5	4,251.7	25,355.6	65,321.2

(1) Preliminary.
(2) 1976 figures were not separately recorded.

Electric Power

Under the Mexican Constitution and applicable laws, the generation, transmission and distribution of public electric power is reserved solely to the Government and no new concessions can be granted to private individuals or companies. At 31 December, 1980 facilities of public agencies accounted for approximately 87% of electric generating capacity, and privately owned facilities, predominantly captive power plants, accounted for the remaining capacity. The bulk of the electric power sold to the public in Mexico is generated by Comision Federal de Electricidad, a public agency which plans and coordinates the electric power sector in Mexico.

Installed capacity increased from 9.8 million kilowatts at 31 December, 1975 to 14.6 million kilowatts at 31 December, 1980, and plants under construction at 31 December, 1980 are expected to add another 15.9 million kilowatts by 1989. Electric power production increased from 40.9 billion kwh in 1975 to 61.9 billion in 1980, and other expansion programmes call for an increase in annual production to 189 billion kwh in 1989. The Government plans to invest approximately 200 billion pesos in the electric power sector from January, 1981 to June 1982.

Mexico is developing its first nuclear plant at Laguna Verde, which is scheduled for completion in 1982. Laguna Verde will have two generating units of 654,000 kilowatts each and will require a total investment of approximately 32 billion pesos. In December 1980 the first of the five 300,000 kilowatt hydro-electric units at the 20 billion peso Moreno Torres hydro-electric plant commenced operation.

Transportation and Communications

The railroad system, which carries an estimated 24% of all freight moved in Mexico, is operated through several public agencies, of which Ferrocarriles Nacionales de Mexico is the most important. At 31 December, 1980, approximately 12,551 miles of track were in use.

The road network, in large part built and maintained by the Federal Government, totalled 132,070 miles at 31 December, 1979 of which 40,142 miles were paved, and included 579 miles of toll expressways. The principal Mexican cities are served by domestic and international airlines, and many smaller communities also receive scheduled services from the domestic airlines. The Federal Government operates facilities at principal seaports, and as of 31 December, 1979, the Mexican merchant marine fleet totalled 1,700,478 tons.

Because of the demands of greater industrial production and higher imports in recent years, bottlenecks have developed in rail and port facilities. To alleviate these constraints on continued economic expansion, Mexico plans to spend 105.4 billion pesos between 1980 and 1982 to construct approximately 850 miles of railways and to improve and modernise existing equipment. By the end of 1982 Mexico plans to expand and modernise its port facilities to allow handling of 145.4 million tons per year, compared with 75.5 million in 1978, representing an annual growth of 17.8%.

At 31 December, 1980, there were 4,903,073 telephones in service. Telephone service within Mexico is provided by Telefonos de Mexico, S.A., a majority of the stock of which is Government owned. There are 773 commercial radio transmitters and 82 television stations in the country, substantially all of which are owned by Mexican investors and operated under Government licences.

Tourism

Tourism is a major industry in Mexico. Gross revenues from tourism and border trade were £2,229.5 million in 1980 compared to £1,966.0 million in 1979. Approximately 87% of visitors are from the United States and most receipts constitute dollar earnings.

In 1980, the Mexican Government established a national tourism plan designed to increase tourism-related employment from 968,000 persons in 1979 to 1,481,000 in 1982 and to increase the contribution of tourism to the GDP from 5.4% in 1979 to 6.4% in 1982. To meet these goals, the plan calls for development of new resorts, expansion of existing resort facilities and establishment of necessary infrastructure.

Employment and Labour

The growth of the economy created new jobs at a compound annual rate of 3.4% between 1974 and 1979, but the faster growth of the population entering the labour force has precluded a reduction in unemployment and under-employment. In 1980, however, the growth rate of new jobs rose to approximately 5%. Although there are no reliable statistics on unemployment and under-employment, both are widespread in Mexico, particularly in rural areas. The Mexican Government is committed to improving employment opportunities, and creating new jobs to meet the growth of the labour force is a high priority of the Government. (See "The General Development Plan 1980-1982.")

Welfare, Education and Housing

The Mexican Government administers almost all the country's social security and welfare programmes. The Government directly funds welfare and social service programmes, primarily from current revenues, and in addition transfers funds to social service agencies with separate sources of income.

The principal social security institutions are the Mexican Institute of Social Security, the State Employees' Institution of Social Security and Services, the National Lottery and the National Fund for Social Activities. Programmes provided by these entities include medical and hospital services, health and maternity insurance and preventative health services. In seeking to provide health services to more of the population, the Federal Government is coordinating activities of various public agencies and is organising a national system of health services. The Federal Government also provides pension payments, which represent a small portion of social security outlays, and are presently estimated to be adequately funded.

The Federal Government devotes a significant share of its resources to education and vocational training. During the 1980-1981 period, 87.0% of the population between 6 and 14 years of age was attending school. The Government's initial goals include providing elementary education to all children and providing increased technical training tailored to the changing demands of the Mexican economy. Based on preliminary estimates from the 1980 census, 82.9% of the population over 6 years of age is literate. The Government aims to increase that portion of the population having technical education from 9% in 1978 to 20% in 1982.

UNITED MEXICAN STATES continued

To improve living conditions for low income people and provide loans for property and housing at reasonable terms, the Federal Government established the Institute of the National Housing Fund for Wage-Earners ("Infonavit") in 1972. The fund managed by Infonavit is supported by contributions from all employers equivalent to 5% of all salaries paid. During 1980, Infonavit loaned approximately 17,277 million pesos for housing purchases, construction and repair.

PUBLIC FINANCE

General

The Federal Budget of the Mexican Government consists of revenues and expenditures of the Federal Government and of certain majority-owned governmental agencies whose particular budgets require specific legislative approval ("budget-controlled agencies"). Among the most important budget-controlled agencies are Pemex, Comision Federal de Electricidad, Ferrocarriles Nacionales de Mexico and the social security and social welfare agencies. The Public Sector Budget consists of the Federal Budget and the budgets of the administratively-controlled agencies (principally Telefonos de Mexico, S.A., Altos Hornos de Mexico, S.A., the Mexico City subway and the national credit institutions), which are entities in which the Government, directly or indirectly, owns a majority interest and whose budgets are not subject to specific legislative approval. The revenues and expenditures of the administratively-controlled agencies are subject to secretarial review, and, as in the case of the budget-controlled agencies, appropriate Secretariat approval is required for such agencies to obtain financing.

The budget-controlled agencies and the administratively-controlled agencies pay taxes which are reflected in the revenues of the Federal Government. From time to time both types of agencies may receive transfers for current expenditures from the Federal Government and appropriations for capital expenditures, which, when they occur, are reflected in the current or capital accounts of the Federal Budget.

The revenues and expenditures of only the most important administratively-controlled agencies are compiled for budget purposes, and, accordingly, the only figure reflecting the consolidated accounts of the entire public sector is the consolidated deficit figure for the Public Sector Budget. This figure is set forth below, together with an indication of its relationship in each year to the gross domestic product.

Public Sector Deficit

	1976	1977	1978	1979
	Year ended 31 December,			
	(Millions of Pesos)			
Public Sector Deficit	124.0	125.3	162.0	223.7
Gross Domestic Product (at current prices)	1,228.0	1,674.7	2,122.8	2,767.0
Public Sector Deficit as a % of Gross Domestic Product	10.1%	7.5%	7.6%	8.1%

State and local government finance is regulated by the Mexican Constitution, which provides that state and local governments may not obtain financing in foreign currencies or from foreign governments, corporations or individuals.

The Federal Government may provide funds to state and local governments only for specific projects which will provide a satisfactory return on investment. For each project, the state and local governments are required to file reports with the Federal Government and to warrant that the project will provide the required return.

Budget Process

The Federal Government's fiscal year is a calendar year. The budget preparing process involves the participation and coordination on an overall and sectoral basis of all the Federal Secretariats and agencies. The Secretariat of Finance prepares the revenue bill which sets forth the revenues to be received by the Federal Government and budget-controlled agencies during the succeeding fiscal year. The various Secretariats prepare expenditure estimates for their own operations and all of the budget-controlled agencies under their jurisdiction, within the policy orientation and programme guidelines established by the Secretariat of Programming and Budget. These expenditure requests are then reviewed by the Secretariat of Programming and Budget which prepares the expenditure bill for the Federal Government and the budget-controlled agencies.

Upon enactment by both houses of the Congress, the revenue bill becomes the Annual Revenue Law, which provides the necessary authority for collecting taxes and other revenues and contracting loans. Upon enactment by the Chamber of Deputies, the expenditure bill becomes the Expenditure Budget, which provides the authority for incurring expenses.

After the Expenditure Budget has been approved, the President may authorise increased expenditures during the fiscal year as a result of increased revenues or for other reasons that he may consider suitable. The Expenditure Budget may also include provisions for the automatic increase of certain expenditures. These expenditure increases do not require prior legislative approval. Within twelve months after the end of the fiscal year, the official fiscal record of the Government is subjected to the review of the Chamber of Deputies.

Revenues and Expenditures of the Federal Government and the Budget-controlled Agencies

The following table sets forth the Federal Budget, which represents the revenues and expenditures of the Federal Government and the budget-controlled agencies on a consolidated basis after netting out the effect of transfers between the Federal Government and the budget-controlled agencies.

Revenues and Expenditures of the Federal Government and Budget-controlled Agencies

	1976	1977	1978	1979	Budget 1980	Budget 1981
	Year ended 31 December,					
	(Billions of Pesos)					
Revenues						
Current	321.2	454.0	605.5	835.7	1,189.6	1,630.9
Capital	14.5	29.8	27.3	32.7	28.0	3.4
Total Revenues	335.7	483.8	632.8	868.4	1,217.6	1,634.3
Expenditures						
Current	316.2	405.7	499.9	658.8	972.7	1,323.8
Capital	157.7	207.0	252.3	389.0	466.4	694.5
Total Expenditure	473.9	612.7	752.2	1,047.8	1,439.1	2,018.3
Adjustments						
Items in previous June budget payable in current	—	—	—	—	45.0	60.0
Items in current year budget payable in following year	—	—	—	—	(50.0)	(76.0)
Items in current year budget not expected to be spent	—	—	—	—	(34.7)	(70.1)
Deficit to be Financed	158.2	128.9	119.4	179.4	181.8	297.9

The consolidated Federal Budget for 1980 shows a 37.3% increase over 1979 expenditures and a 40.2% increase over 1979 revenues. In 1981, the consolidated Federal Budget shows a 40.2% increase over 1980 budgeted expenditures and a 34.2% increase over 1980 budgeted revenues. The increased expenditures in 1980 and 1981 are principally attributable to the high rate of inflation and the rapid growth in public investment.

Revenues and Expenditures of the Federal Government

Revenues of the Federal Government consist principally of income taxes imposed on businesses (including budget- and administratively-controlled agencies) and individuals, the Value Added Tax, duties on imports and exports and capital receipts. The expenditures of the Federal Government consist of current expenditures and capital expenditures, including allocations to budget- and administratively-controlled agencies.

The following table provides a summary of revenues and expenditures of the Federal Government for the years indicated:

Revenues and Expenditures of the Federal Government (1)

	1976	1977	1978	1979	Budget 1980	Budget 1981
	Year ended 31 December,					
	(Millions of Pesos)					
Current Revenues						
Taxes on Income						
Business Income	38,068	46,378	66,410	98,466	(2)	(2)
Personal Income	32,978	47,032	65,774	74,549	(2)	(2)
Total Taxes on Income	66,046	93,410	132,184	173,015	198,660	367,389
Other taxes						
Value Added Tax (3)	—	—	—	—	161,350	229,301
Excise Tax	33,956	51,873	61,878	79,514	—	—
Commercial Receipts Tax	30,362	40,507	52,702	75,083	—	—
Import Duties	12,302	10,735	14,756	28,804	33,474	60,110
Export Duties	2,700	15,505	20,685	34,160	150,539	265,700
Other	5,414	5,936	8,781	10,912	13,239	3,000
Total Other Taxes	84,733	124,556	158,800	228,473	358,602	558,111
Other Current Revenues	10,084	10,906	11,184	15,899	18,567	28,000
Total Current Revenues (4)	160,863	228,872	302,168	417,387	575,829	953,500
Current Expenditures						
Direct Administrative Expenses	85,392	71,590	93,973	119,171	138,719	352,170
Public Debt Interest and Expense	21,059	33,836	41,727	56,625	77,925	118,532
Transfer Payments (consumer subsidiaries, social security payments, etc.) (5)	66,088	90,571	98 738	143,872	178,534	355,852
Other Current Expenditures	967	661	1,380	—	39,284	—
Total Current Expenditures	173,506	196,658	235,818	319,668	434,462	826,554
Surplus (Deficit) on Current Account	(12,643)	32,214	66,350	97,719	141,367	126,946
Capital Revenues (excluding proceeds of loans)	2,229	2,947	7,012	1,360	4,000	2,000
Capital Expenditures	(91,449)	(128,503)	(131,364)	(212,914)	(269,038)	(433,105)
Surplus (Deficit) on Capital Account	(89,220)	(125,556)	(124,352)	(211,554)	(265,038)	(431,105)
Budgetary Surplus (Deficit)	(101,863)	(93,342)	(58,002)	(113,835)	(123,671)	(304,157)
Adjustment to Cash Basis						
Items in Previous Year Budget Payable in Current Year	—	—	—	—	(45,000)	(60,000)
Items in Current Year Budget Payable in Following Year	—	—	—	—	50,000	76,000
Budgeted Amounts Not Expected To Be Spent	—	—	—	—	17,213	70,100
Deficit in Finance	(101,863)	(93,342)	(58,002)	(113,835)	(101,458)	(218,057)
Gross Borrowing						
Internal	96,728	71,682	59,170	191,128	(2)	(2)
External	26,829	55,805	85,543	59,973	(2)	(2)
Total	123,557	127,487	144,713	251,101	191,976	399,125
Amortisation of Debt						
Internal	(8,450)	(25,376)	(50,438)	(63,358)	—	—
External	(1,558)	(4,180)	(24,414)	(55,492)	—	—
Total (5)	(10,008)	(29,556)	(74,852)	(118,850)	(90,518)	(181,068)
Net Borrowing (6)	113,549	97,931	69,861	132,251	101,458	218,057
Surplus Including Net Borrowing	11,686	4,589	11,859	18,416	—	—

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(1) The accounts of the Federal Government are on a cash basis. The figures for the years 1976-1979 reflect the cash accounting for those years. The budgets for 1980 and 1981 are adjusted to a cash basis as indicated in the table.
(2) Details not shown in the annual revenue law.
(3) The Value Added Tax that came into effect in 1980 replaces the commercial receipts, excise and stamp taxes.
(4) Including taxes, distributed in full or in part to the state governments as follows: 1976, P19,456 million; 1977, P21,807 million; 1978, P28,678 million; 1979, P50,952 million; 1980, P80,000 million.
(5) Transfer payments include reallocations from current account to amortisation of debt.
(6) Net borrowing does not correspond to the increase in the direct debt; it does not show transactions such as the assumption by the Government of debt previously incurred by public agencies or adjustments for changes in exchange rates.

Current revenues of the Federal Government increased by 42.3% in 1977, 32.0% in 1978 and 38.1% in 1979 and were budgeted to increase by 38.0% in 1980 and 65.6% in 1981. Current expenditures rose by 13.3% in 1977, 19.9% in 1978 and 35.6% in 1979 and were budgeted to increase by 35.9% in 1980 and 90.2% in 1981. In 1977, the deficit decreased due to sharp increases in tax income derived from tax reforms which broadened the tax base, inflation and restricted Government expenditures. In 1978, the deficit decreased further, primarily as a result of high real growth in the economy and further increases in the tax base. In 1979, the deficit increased due to increased Government expenditures in the areas of development and conservation of natural resources, commerce and industry, and education and culture.

The rapid growth in budgeted revenues in 1980 and 1981 reflects the projected sharp increases in tax income derived from the imposition of the Value Added Tax and higher amounts of petroleum-related export duties. The rapid growth in budgeted expenditures in 1980 and 1981 reflects the Government's policy of stimulating the economy and providing a high rate of employment, additional expenditures in the energy and agricultural sectors and efforts to improve the infrastructure in the transportation sector.

The following table provides a breakdown of the current and capital expenditures of the Federal Government by sector for the years indicated:

Expenditures of the Federal Government by Sector

	1976	1977	1978	1979
	Year ended 31 December,			
	(Millions of Pesos)			
Transportation and Communications	21,631	24,633	25,210	40,279
Development and Conservation of Natural Resources	33,698	43,887	45,575	65,944
Commerce and Industry	78,531	48,126	47,637	79,745
Education and Culture	39,634	57,258	75,630	96,006
Hospital Services and Public Assistance	8,781	12,430	14,566	19,712
Social Security (1) (2)	14,531	52,471	7,376	10,017
National Defence	8,169	10,500	12,214	14,519
General Administration	38,921	41,946	97,448	150,636
Public Debt Interest and Expenses	21,059	33,836	41,727	56,624
Unclassified	—	68	—	—
Total Expenditures (excluding retirement of public debt)	264,955	325,161	367,183	532,582

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(1) Until 31 December, 1977, the transfers from the Federal Government to social security agencies were included in this item. Transfers to the social security agencies since 1978 have been included in the appropriate sector items.
(2) Includes medical services for public employees, pension payments and other social services expenses.

The following table provides a breakdown of the current and capital expenditures of the Federal Government as budgeted for 1980 and 1981. The format of this table conforms to the changes in the budget presentation adopted by the Secretariat of Programming and Budget in 1980.

Expenditures of The Federal Government by Function

	Budget 1980	Budget 1981
	Year ended 31 December,	
	(Millions of Pesos)	
Central Public Activities (1)	170,140	315,257
Sectoral Allocation		
Forestry and Agriculture	68,715	114,000
Fishing	6,409	10,600
Industrial	50,439	110,000
Natural Resources (2)	—	—
Manufacturing	13	2,700
Transportation and Communications	52,613	85,000
Commerce	28,727	52,000
Tourism	4,182	7,000
Science and Technology	6,473	14,500
Financial Services	—	2,000
Employment and Social Welfare	1,940	4,200
Other State Agency Services (2)	—	—
Total Sectoral Allocation	219,511	402,000
Urban and Social Services	159,682	250,500
Expenditure Not Assigned By Its Function	199,167	291,900
Total Expenditures (3)	748,500	1,259,657

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(1) Includes general administration, justice, public security, defence and national security.
(2) Allocations to this sector, if any, will occur when annual expenditures are ratified.
(3) Excludes amortisation payments, which will amount to P90,518m. and P181,067m. in 1980 and 1981 respectively.

Revenues and Expenditures of the Budget-Controlled Agencies

The following table presents a summary of the revenues and expenditures of the budget-controlled agencies. The revenues and expenditures of the budget-controlled agencies include amounts received from and paid to the Federal Government.

Revenues and Expenditures of Budget-Controlled Agencies

	1976	1977	1978	1979	Budget 1980	Budget 1981
	Year ended 31 December,					
	(Millions of Pesos)					
Revenues by Agency:						
Pemex	49,090	86,407	112,710	186,075	324,941	303,638
Electric Power Companies	24,731	29,571	34,518	44,218	55,991	63,497
Social Security Agencies	43,750	57,879	77,673	99,791	115,904	127,202
Other Agencies	55,007	78,108	98,684	119,615	140,989	184,416
Gross Proceeds of Loans	69,059	122,493	172,732	172,858	206,569	213,247
Total Revenues	241,637	374,458	496,317	622,557	844,394	892,000
Expenditures by Agency:						
Pemex	70,633	138,025	192,632	268,560	399,589	323,479
Electric Power Companies	47,196	62,868	93,427	91,581	138,587	102,419
Social Security Agencies	46,103	62,207	76,620	106,334	115,904	127,212
Other Agencies	81,133	112,361	132,684	148,303	190,314	338,890
Total Expenditures	245,065	375,461	495,363	614,778	844,394	892,000

The revenues of the budget-controlled agencies grew at a compound annual rate of 37.1% in the 1976-1979 period. Revenues for 1980 were budgeted to increase 35.6% over 1979 and revenues for 1981 are budgeted to increase 5.6% over 1980. The high rate of growth in the revenues of the budget-controlled agencies is a result of an increase in the production and price of petroleum, inflation and rate increases adopted by the electric power companies.

The expenditures of the budget-controlled agencies grew at a compound annual rate of 35.9% in the 1976-1979 period. Expenditures for 1980 were budgeted to increase 37.3% over 1979 and expenditures for 1981 are budgeted to increase 5.6% over 1980.

Taxation

Mexico's Federal tax structure establishes both direct taxation through income taxes and indirect taxation through a value added tax.

Income taxes are composed of the enterprise tax and the individual tax. Enterprises and individuals with income derived from the exploitation of natural resources, commerce, manufacturing, agriculture, fishing or raising livestock are subject to the enterprise tax. The enterprise tax is levied at progressive rates that reach a 42% ceiling when income, after certain deductions and allowances, exceeds 1,500,000 pesos per year. The individual tax applies to income obtained from the following sources, among others: wages, fees, rental of property, dividends and interest. Individual tax rates are also progressive and reach a 55% ceiling when income, after deductions, exceeds 2,500,000 pesos annually.

The Value Added Tax Law, which took effect on 1 January, 1980, imposes a general 10% rate which is passed through the manufacturing and distributing chain until it becomes part of the purchase price to the consumer. Food and other products associated with agriculture and livestock raising are exempt from the tax.

A number of tax reforms have been instituted over the past two years aimed chiefly at promoting industrial development. Included among these reforms were more liberal treatment for financial leases, faster depreciation of fixed assets, special tax credits for investment in specified types of machinery, withholding tax exemption on interest income on external borrowings by the Federal Government, coordination of indirect taxation by the State and Federal Governments to avoid double taxation and the modification of withholding taxes on external borrowings.

FINANCIAL SYSTEM

Under the Organic Law of the Federal Public Administration enacted in 1976, the Secretariat of Finance and Public Credit is responsible for the coordination, supervision and formulation of policy for the financial system of Mexico.

Central Bank and Monetary Policy

Banco de Mexico, S.A., chartered in 1925, is the central bank and sole bank of issue. Its functions are established by its Organic Law enacted by the Federal Congress in 1941. At 31 December, 1980, Banco de Mexico had total assets of 722.5 billion pesos.

Banco de Mexico is the Government's primary instrument for the execution of monetary policy and the regulation of currency and credit. It is authorised by law to regulate interest rates payable on time deposits, to establish minimum reserve requirements which credit institutions are required to maintain and to provide discount facilities for certain types of bank loans. Through these means, Banco de Mexico regulates loan operations and investments of banks and is instrumental in channelling financial resources into selected areas of the economy.

The objective of the current monetary policy of the Government is to promote investment while controlling inflationary pressures. To accomplish these goals, Banco de Mexico has lifted controls on interest rates for certain peso deposits and is committed to maintaining a positive differential between domestic and foreign interest rates in favour of Mexico to insure a continuous inflow of capital.

In accordance with legal requirements, Banco de Mexico, in order to support the value of the peso, must maintain a legal reserve equal to at least 25% of its total outstanding bank notes and sight obligations. At least 80% of such reserve must consist of gold or foreign exchange and the remainder must be silver.

The following table sets forth the money supply at the dates indicated:

Money Supply

	1975	1976	1977	1978	1979	1980(1)	1981(1)(2)
	As of 31 December,						
	(Millions of Pesos)						
Notes and Coin	52,264	79,873	88,632	114,810	149,582	199,700	194,567
Checking Deposits	66,003	74,927	107,376	145,190	196,900	261,200	251,900
Total Money Supply In Circulation	118,267	154,800	196,008	260,000	346,482	460,900	446,467

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(1) Preliminary.
(2) First quarter.

The constraints within which monetary policy has had to operate in the past two years, i.e. expansive fiscal policy aimed at increasing economic activity and lowering the unemployment rate, higher demand for credit by the private sector, and an increased proportion of financial resources held in demand deposits, have all contributed to an increase in the money supply.

Banking System

Private Financial Institutions. The country's private banking system at 31 December, 1980 included 11 deposit banks, 35 multi-service banks, 9 financial banks, 2 credit mortgage institutions, and 6 long-term credit banks. Assets of all private financial institutions totalled 1,224,265 million pesos at 31 December, 1980.

Public Financial Institutions. In addition to the Banco de Mexico and the private financial institutions described above, there are 22 national credit institutions which have been created by the Federal Government to assist or serve specific sectors of the Mexican economy. The total assets of these institutions amounted to 611,661 million pesos as of 31 December, 1980. The majority of their capital is subscribed by the Federal Government or by public agencies (including other national credit institutions) and they operate as administratively-controlled agencies under the supervision of the Secretariat of Finance and Public Credit in accordance with specific statutes. Most public credit institutions control trust funds which are used for promoting specific sectors, such as agriculture, housing, tourism, industry and exports under preferential conditions.

Among the most important of such national credit institutions are Nacional Financiera, S.A. ("Nafinsa"), Banco Nacional de Obras y Servicios Publicos, S.A. ("Banobras"), Banco Nacional de Credito Rural, S.A. ("Banrural"), Banco Nacional de Comercio Exterior, S.A. ("Bancomext"), Financiera Nacional Azucarera, S.A. ("Finasa") and Banco Nacional Pesquero Portuario, S.A. ("Banpesca").

Nafinsa serves as the Government's principal instrument for the development of the economic infrastructure and basic industries necessary for the country's growth by extending long and medium-term credits and by making equity investments. At present, Nafinsa holds the majority equity interest in Altos Hornos de Mexico, S.A., the country's largest steel producer, Fertilizantes Mexicanos, S.A., the principal producer of fertiliser, Diesel Nacional, S.A., a major producer of motor vehicles, and ten other industrial companies.

Banobras extends loans to the Federal and State Governments as well as to the Federal District for the financing of public works and services. It also owns and finances housing for lower income people. Bancomext raises short-term external loans and discounts paper mainly from those public entities which have foreign trade operations.

Banrural provides credit facilities to the agricultural sector. In addition, the Rural Credit Law provides for the creation of a new credit institution to provide additional types of agricultural financing and to grant consumer credit to farmers. Finasa finances the sugar industry and promotes investments required for its development.

The following table sets forth the outstanding obligations of the national credit institutions payable abroad or in foreign currencies, including obligations reloaned to the Federal Government, at the respective dates indicated:

External Obligations of National Credit Institutions (1)

	1976	1977	1978	1979	1980	1981
	As of 31 December,					As of 31 March,
	(Millions of Pounds)					
External Bonds	258.2	467.6	686.6	561.4	477.5	541.6
External Loans and Credits (2)	4,432.9	3,857.2	3,524.3	3,845.0	4,136.9	4,121.6
Subtotal	4,691.1	4,324.8	4,210.9	4,406.4	4,614.4	4,663.2
Guarantees or Endorsements	865.4	853.5	865.8	939.0	908.1	954.8
Total	5,556.5	5,178.3	5,076.7	5,345.4	5,522.5	5,618.0

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(1) Also includes foreign debt payable domestically.
(2) Amounts shown include obligations with an original maturity of less than one year, which amounted to £367.8 million at 31 March, 1981.

The following table sets forth certain information as to the financing provided by the public and private banking system as of the dates indicated, together with the classification of loans and investments.

Banking System—Loans and Investments Outstanding

	1975	1976	1977	1978	1979	1980(1)
	As of 31 December,					
	(Millions of Pesos)					
Agriculture, Mining, Forestry and Fishing	50,561	49,840	69,952	92,210	120,705	192,334
Energy	16,028	19,013	19,730	37,568	70,851	108,826
Industry	98,912	131,011	175,474	217,846	264,823	338,497
Services and Other Activities	47,397	77,586	93,327	129,506	246,084	318,546
Commerce	42,166	48,105	68,478	94,951	140,868	210,532
Government (Federal, State and Municipal)	35,760	66,628	95,884	81,104	118,073	143,683
Total	290,824	392,183	522,845	653,185	961,404	1,312,427

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(1) Preliminary.

The Securities Markets

Most securities transactions involve fixed income securities and are conducted on the Stock Exchange which is located in Mexico City with branches in Monterrey and Guadalajara. As of 31 December, 1979 the amount of fixed income securities outstanding was P865,062 million representing an increase of 24% over 1978. Of this amount 58.4% were government issues, 29.1% were private banking issues, 6.5% were public banking issues and 6.0% were issued by private non-financial intermediaries. In 1980, the total trading volume on the Stock Exchange was P482,123 million compared to P356,311 million in 1979.

To improve the Federal Government's access to internal financial resources, Congress in 1977 authorised the issuance of CETES (Treasury bills). CETES are issued through Banco de Mexico for a maximum term of one year.

On 26 August, 1980, the National Securities Commission authorised the issuance of commercial paper with a maximum maturity of 91 days. This short term financial instrument will allow a limited number of Mexican firms which are listed on the Stock Exchange to reduce their cost of raising money.

THE EXTERNAL SECTOR OF THE ECONOMY

Foreign Trade

In the five years 1975 to 1979, imports of goods averaged 8.6% of GDP, while exports averaged 5.7%. During 1980 imports, consisting primarily of capital and intermediate goods needed for economic development, rose to £7,767.5 million, an increase of 43.8% over 1979 while exports, consisting primarily of petroleum and manufactured goods, rose to £6,402.1 million, an increase of 61.5%. Although exports rose sharply, the balance of trade remained negative and in 1980, the trade deficit was £1,365.4 million.

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The following table sets forth the balance of trade for the years 1975 to 1980:

Balance of Trade (1)

	1975	1976	1977	1978	1979(2)	1980(2)
	(Millions of Pounds)					
Exports (f.o.b.) (3)	1,413.6	1,949.3	2,301.3	2,968.5	3,964.9	6,402.1
Imports (4)	3,251.2	3,544.7	3,067.6	3,876.4	5,401.4	7,767.5
Balance of Trade	(1,837.6)	(1,595.4)	(766.3)	(907.9)	(1,436.5)	(1,365.4)
Exports as a Percentage of Imports	43.5%	55.0%	75.0%	76.6%	73.4%	82.4%

(1) Excluding amounts attributable to border trade, exports of silver and operations of in-bond industries.
(2) Preliminary.
(3) Reference is made to Note (3) of the table "Exports and Imports by Major Groups" herein for information as to the valuation of certain of Mexico's exports.
(4) Imports are c.i.f. for years 1975, 1976 and 1977 and are f.o.b. for years 1978, 1979 and 1980.

The most important components of merchandise exports are manufactured goods, agricultural products and extractive materials (including crude oil and natural gas), which in 1980 amounted to 22.1%, 10.1% and 67.8% of total exports of goods and services, respectively.

The following table sets forth the exports and imports by major commodity groups for the years 1978-1980.

Exports and Imports by Major Groups

	1978	1979	1980(2)
	(Millions of Pounds)		
Exports (f.o.b.) (3)			
Agricultural	734.9	801.5	645.8
Crude Oil and Natural Gas	868.4	1,696.6	4,131.5
Other Extractive Materials	104.0	142.9	210.4
Total Extractive Materials	972.4	1,839.5	4,341.9
Food	360.7	360.2	323.3
Textiles	92.7	94.2	84.2
Metal Products, Machinery and Equipment	332.8	340.2	396.9
Other Manufactured Goods	474.0	528.5	608.8
Total Manufactured Goods	1,260.2	1,323.1	1,413.2
Unclassified Products	1.0	0.8	1.2
Total Exports	2,968.5	3,964.9	6,402.1
Imports (f.o.b.)			
Agricultural	448.4	438.2	841.4
Chemicals	385.5	497.6	621.1
Iron and Steel Products	443.1	507.8	763.0
Metal Products, Machinery and Equipment	1,814.9	2,800.2	3,727.2
Other Manufactured Goods	681.6	954.7	1,617.6
Total Manufactured Goods	3,325.1	4,760.3	6,728.9
Unclassified Products	3.2	93.7	90.2
Special Border Zone Products	99.7	109.2	107.0
Total Imports	3,876.4	5,401.4	7,767.5

(1) Pre-1978 information is not included because of changes in reporting classification.
(2) Preliminary.
(3) The export values of the items in this table are based on prices declared in export invoices, except that such values for certain items are adjusted to reflect the average prices reported in United States import statistics and the export value of cotton is based on the quotations for Mexican cotton in the Liverpool market, after deducting freight and other transportation charges.

The Federal Government has played an important role in promoting exports, particularly manufactured products, by an integrated foreign trade policy based on fiscal and financial incentives and direct promotion. The Government operates several export-related institutions, the most important of which are Fondo para las Exportaciones de Productos Manufacturados, Fondo Nacional de Equipamiento Industrial and Banco Nacional de Comercio Exterior. Promotion of foreign trade is primarily the responsibility of Instituto Mexicano de Comercio Exterior.

Geographic Distribution of Trade

The United States is Mexico's most important trading partner. In 1980 trade with the United States accounted for 61.8% and 63.3% of total exports and imports, respectively.

The following table summarises the geographic distribution of Mexico's total recorded external trade by percentage:

Distribution of External Trade

	1976	1977	1978	1979(1)	1980(1)
Exports					
United States	62.1%	65.7%	70.9%	69.0%	61.8%
Western Europe	11.3	10.5	8.8	11.6	16.4
Asia	6.2	5.2	7.4	9.0	9.8
Latin America	16.9	16.1	10.0	7.7	10.1
Others	3.5	2.5	2.9	2.7	1.9
Total Exports	100.0%	100.0%	100.0%	100.0%	100.0%
Imports					
United States	62.4%	63.5%	61.7%	63.1%	63.3%
Western Europe	20.7	20.5	21.2	20.3	19.0
Asia	5.7	6.3	8.4	7.8	7.4
Latin America	6.8	5.7	5.0	5.8	5.9
Others	4.4	4.0	3.7	3.0	4.4
Total Imports	100.0%	100.0%	100.0%	100.0%	100.0%

(1) Preliminary.

Balance of International Payments

Mexico has experienced a deficit on current account in the balance of payments for a number of years. The deficit has been due, in large part, to the demand for goods necessary to promote the industrialisation of its economy.

Following a sharp increase in 1976, the current account deficit was lower in 1977 and 1978. The reduction in the deficit in those years was principally attributable to a slowdown in demand and a higher level of exports brought about by the floating of the Mexican peso in August, 1976 and the increase in petroleum production.

The current account deficit in 1980 was £2,758.9 million, which represented an increase of 26.1% over the prior year's deficit which totalled £2,188.6 million. The main factors contributing to the deficit were a sharp deterioration in the trade balance due to the rapid growth of the economy, a surge in border trade payments and higher interest on foreign borrowings. It is expected that the size of the deficit will decline in the near future as a percentage of GDP, although not necessarily in absolute terms, primarily as a result of increases in petroleum related exports.

The current account deficit was financed in 1980 through a combination of net short- and long-term capital inflows. The long-term capital account registered a surplus of £2,585.7 million, consisting principally of foreign borrowing by the public sector and private direct investment and borrowing. After large outflows of short-term capital in 1977 and 1978, due primarily to the Government's policy of repaying short-term indebtedness with the proceeds of long-term borrowing, the balance on short-term capital was in surplus by £65.5 million in 1979 and £986.6 million in 1980.

The following table sets forth the principal items of the balance of payments of Mexico during the period 1976-1980:

Balance of Payments

	1976	1977	1978	1979(1)	1980(1)
	(Millions of Pounds)				
Current Account:					
Credits	4,333.4	4,377.1	5,705.3	7,269.7	10,380.4
Debits	6,137.4	5,222.5	7,023.8	9,458.3	13,139.3
Deficit on Current Account	1,804.0	845.4	1,318.5	2,188.6	2,758.9
Capital Account:					
Long-term Capital:					
Public Sector (Net)	2,478.2	2,016.9	1,989.3	1,418.1	1,697.4
Private Sector (Net)	256.0	264.0	288.1	468.8	888.3
Total Long-term Capital	2,734.2	2,280.9	2,277.4	1,886.9	2,585.7
Short-term Capital:					
Liabilities:					
Public Sector	516.2	(494.6)	(729.2)	92.6	28.3
Private Sector	220.2	(168.5)	223.9	766.4	1,821.0
Total Liabilities	736.4	(663.1)	(505.3)	859.0	1,849.3
Assets	(412.5)	(457.1)	(232.5)	(793.5)	862.7
Total Net Short-term Capital	323.9	(1,120.2)	(737.8)	65.5	986.6
Surplus on Capital Account	3,058.1	1,160.7	1,539.6	1,952.4	3,572.3
Net Balance of Payments	1,253.7	315.3	221.1	236.2	813.4

(1) Preliminary.

Exchange Controls and Foreign Exchange Rates

Mexico maintains the free convertibility of its currency and does not impose any type of restrictions on the buying or selling of foreign currencies by residents or non-residents. Moreover, there are no regulations prescribing the method or currency to be used for payments made outside Mexico to or from non-residents.

Mexico permits a free internal market in gold although the right to export gold is reserved exclusively to Banco de Mexico. Commercial banks and specialised private financiers are permitted to trade in gold. Imports of gold are permitted and, when licensed by Banco de Mexico, are free of customs duties.

The rate of exchange of the peso was 12.50 pesos to the United States dollar from 1954 until 31 August, 1976, when the Government announced that the Banco de Mexico would no longer maintain the fixed exchange rate. This last measure was taken in view of the deterioration of Mexico's external position as reflected by an increase in Mexico's current account deficit and a decline in cost and price competitiveness in international markets.

International Reserves

The international reserves of Mexico have increased in each year since 1976. The following table sets forth the gross and secondary international reserves of the Banco de Mexico at the end of the years 1976 to 1980 and at 31 August, 1981.

International Reserves

	As of 31 December,					As of 31 August,
	1976	1977	1978	1979	1980	1981
	(Millions of Pounds)					
Gross International Reserves (1)	829.7	1,024.9	1,127.6	1,391.4	1,674.2	2,609.2
Secondary International Reserves (2)	562.6	649.0	956.5	1,200.3	1,354.9	3,041.3
Total International Reserves	1,392.3	1,673.9	2,084.1	2,591.7	3,029.1	5,650.5

(1) Gross international reserves of the Banco de Mexico include gold, silver, special drawing rights (SDRs) and foreign exchange holdings, principally in United States dollars.
(2) Secondary international reserves include the credit available from international financial institutions and certain countries with which Mexico has agreements, principally the United States, France, Spain and Israel.

Subscriptions to International Institutions

Mexico's subscription to the IMF (which corresponds to its quota) was increased from SDR 535 million (approximately £286.9 million) to SDR 802.5 million (approximately £430.4 million) when new quotas became effective under the seventh general review of quotas on 29 December, 1980. Mexico's subscription to the capital of the World Bank is £149.1 million. Of this amount £12.5 million had been paid in as of 31 December, 1980, and the balance of such subscription is callable only if required by the World Bank to meet its obligations for funds borrowed for loans guaranteed by it. As of 31 December, 1980, the World Bank had authorised gross loans to Mexico totalling £1,890.0 million, of which £1,144.2 million had been disbursed and £621.2 million remained outstanding.

As of 31 December, 1980, Mexico's contribution to the capital of the International Development Association ("IDA") was £4.7 million, and its subscription to the capital of the International Finance Corporation ("IFC") was £0.3 million. Both IDA and IFC are affiliates of the World Bank. As of 30 June, 1981, the IFC has granted credits and made investments in Mexico totalling £296.7 million, of which £64.8 million was outstanding at that date.

Mexico's subscription to the capital of the Inter-American Development Bank ("IDB") is £480.2 million, one of the largest subscriptions of the IDB's Latin American members. Of such subscription, £46.9 million had been paid in cash as of 31 December, 1980, and the balance is callable if required to meet IDB's obligations. Mexico's contribution to the IDB Fund for Special Operations is £114.7 million. The IDB has authorised gross loans to Mexico, as of 31 December, 1980, totalling £1,054.0 million, of which £807.2 million has been disbursed.

Foreign Direct Investment in Mexico

It is the policy of the Federal Government that the economic development of Mexico should be financed primarily from internally generated sources, with external financing being used only to complement internal capital. To that end, preference is given to foreign investors who, in association with Mexicans, establish new industries which introduce new technologies and produce articles for export or for import substitution.

The following table sets forth an estimation of the breakdown of the foreign direct investment in Mexico for the years 1976 to 1980.

Foreign Direct Investment in Mexico

Percentages of Total Direct Foreign Investment

	1976	1977	1978	1979	1980
United States	72.2%	70.2%	69.8%	69.6%	69.0%
Germany	6.5	7.3	7.3	7.4	8.0
Great Britain	3.9	3.7	3.6	3.0	3.0
Switzerland	4.2	5.3	5.5	5.5	5.6
Canada	2.0	2.1	1.8	1.6	1.5
Japan	2.0	4.2	4.8	5.3	5.9
Others	9.2	7.2	7.2	7.6	7.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Investments by foreigners and the earnings thereon may be freely repatriated. Under Mexican law, foreign investors do not receive any special benefits or exemptions beyond those available to domestic investors, although certain Constitutional, statutory and regulatory restrictions apply specifically to foreigners. These restrictions include regulations as to ownership of real property in zones along the country's land borders and seacoasts and requirements as to Mexican ownership of enterprises engaged in banking, communication and transportation. Mexican laws also establish the limits on foreign participation in the capital of new Mexican enterprises, which as a general rule cannot exceed 49% and are set at lesser percentages for certain activities, including the exploitation of national mineral reserves (not reserved exclusively to the public sector), for which the limit is 34%, and the manufacture of automotive parts and secondary petrochemical products, for which the limit is 40%. In the case of the in-bond industries, participation of foreign capital can be as high as 100%.

In 1973, Mexico enacted a "Law to Promote Mexican Investment and Regulate Foreign Investment" which requires foreign individuals and corporations with equity investments in Mexico, Mexican companies with any foreign ownership, trusts with foreign beneficiaries established under such law, and securities representing capital owned by or pledged on behalf of foreigners and any transfers thereof, to be registered with the National Registry of Foreign Investments. Affected companies which do not register may not pay dividends, and affected shareholders failing to register may not receive them. The National Commission on Foreign Investments has the authority to increase the permissible percentages of foreign ownership of enterprises in certain geographical locations and in certain industries.

PUBLIC DEBT

General

The Government enacted the General Law of Public Debt effective 1 January, 1977, to improve control of the public sector's access to the domestic and international financial markets. Under this Law, public credit programmes must be submitted to Congress for approval annually together with the Revenue Bill and the Budget. The Executive, through the Secretariat of Finance and Public Credit, the administrative body responsible for public finance, formulates a financial programme on the basis of this authorisation. The General Law of Public Debt also requires the Federal Executive to inform Congress on public indebtedness when presenting the official fiscal record and revenue programme and to report on a quarterly basis any changes in such statement.

Summary of Public Debt

At 31 March, 1981, the total external public debt of Mexico was £16,118.8 million equivalent, of which long-term external debt totalled £14,664.1 million equivalent. For 1981 the level of external public debt will depend on the precise figure for oil exports and the behaviour of general imports. For purposes of this Prospectus, long-term debt includes all debt with maturities in excess of one year from the date of issue.

The following table sets forth a summary of the external public debt of Mexico, which includes the Federal Government and the budget- and administratively-controlled agencies, together with a breakdown of such debt by the currency of repayment.

Summary of External Public Debt (1)

By Type

As of 31 December, except as noted

	Long-Term					
	Direct Debt of the Federal Government (2)	Debt Guaranteed by the Federal Government	Other Public Sector Debt	Total Long-Term	Total Short-Term	Total Long- and Short-Term Debt
	(Millions of Pounds)					
1976	2,586.0	986.5	5,739.2	9,311.7	2,150.3	11,462.0
1977	3,357.6	1,013.1	6,197.4	10,568.1	1,427.7	11,995.8
1978	3,504.4	1,039.4	7,785.2	12,329.0	609.3	12,938.2
1979	3,164.6	878.9	8,653.8	12,697.3	646.7	13,344.0
1980	3,420.3	839.4	9,258.5	13,518.2	623.6	14,141.8
31 March, 1981	3,487.8	880.0	10,296.3	14,664.1	1,454.7	16,118.8

By Currency

	As of 31 December,								As of 31 March,	
	1977		1978		1979		1980		1981	
	(Millions of Pounds)									
Dollars	10,304.3	85.9%	10,351.9	80.0%	11,459.9	85.9%	12,525.0	88.6%	14,466.3	89.8%
Deutschemarks	586.6	4.9	974.2	7.5	713.0	5.3	671.6	4.7	628.8	3.9
Yen	285.0	2.4	409.5	3.2	224.3	1.7	197.4	1.4	214.2	1.3
Swiss Francs	290.2	2.4	534.2	4.1	371.1	2.8	283.0	2.0	248.6	1.5
French Francs	134.2	1.1	179.3	1.4	131.0	1.0	130.2	0.9	166.3	1.0
Pounds Sterling	122.7	1.0	115.2	0.9	90.1	0.7	77.4	0.6	72.4	0.5
Other	272.8	2.3	373.8	2.9	354.7	2.6	257.2	1.8	322.2	2.0
Total	11,995.8	100.0%	12,938.2	100.0%	13,344.0	100.0%	14,141.8	100.0%	16,118.8	100.0%

(1) External debt denominated in foreign currencies other than pounds sterling has been converted into pounds sterling at exchange rates as of each of the dates indicated.
(2) Direct debt of the Federal Government includes certain obligations (aggregating 44,689 million pesos at 31 March, 1981) of Nafinsa and Banobras (but not included under Other Public Sector Debt), the proceeds of which were re-lent by the borrowing institutions to the Federal Government.

The total external debt of the public sector consists of the external portion of the long-term indebtedness incurred or specifically guaranteed by the Federal Government, together with the external long-term indebtedness incurred directly or guaranteed by public agencies and public companies (including, but not limited to, budget-controlled agencies and national credit institutions) for the public sector but not carrying the specific guarantee of the Federal Government, and the short-term debt of the public sector. The proceeds derived from external debt operations have been channelled mainly to key sectors of the economy such as oil, steel, petrochemicals and agriculture and to finance investment projects involving substantial imports of capital goods.

The Government has been following a policy of geographic diversification of its sources of external finance. It estimates that the external debt of the public sector coming from sources in the United States of America has declined from approximately 47% of the total in 1977 to approximately 26% in 1980. The relative importance of sources in Japan, Germany, Canada and France has increased.

The following table sets forth a summary of the internal public debt of the Federal Government.

Summary of Internal Public Debt of Federal Government

As of 31 December, except as noted

	Long-Term	Short-Term	Total
	(Millions of Pesos)		
1975	176.230	—	176,230
1976	243,367	—	243,367
1977	290,936	—	290,936
1978	343,619	26,300	369.919
1979	456,929	43,000	499,929
1980	612,474	71,500	683,974
31 March, 1981	663,096	117,000	780,096

External Debt Service

The scheduled repayments of principal and interest on the external long-term debt of the public sector outstanding as of 31 March, 1981 are set forth below.

Debt Service Requirements

	Principal	Interest (1)	Total
	(Millions of Pounds)		
1980	1,520.1	1,898.5	3,418.6
1981	1,537.6	1,690.3	3,227.9
1982	2,081.4	1,505.0	3,586.4
1983	1,846.6	1,236.1	3,082.7
1984	1,653.0	1,075.4	2,728.4
Sub-Total	8,638.7	7,405.3	16,044.0
1985-1989	5,263.6	1,471.2	6,734.8
1990-1994	670.3	368.1	1,038.4
1995-1999	67.2	17.7	84.9
2000-2004	16.5	4.2	20.7
2005-2009	3.7	3.6	7.3
2010-2014	2.3	0.6	2.9
2015-2019	1.8	0.5	2.3
Total	14,664.1	9,271.2	23,935.3

Notes
(1) Since 70% of this debt was contracted on a floating rate basis, interest has been calculated based on the average of the relevant London Inter-Bank Offered Rate and Prime Rate between December, 1980 and March, 1981, which was 17.53%.

Debt Record

Full debt service has been paid when due upon all external debt issued by the Federal Government of Mexico since the adoption of the Constitution of 1917 as well as upon all external debt issued by others since that time and assumed or guaranteed by the Government.

However, during the brief unconstitutional régime of General Victoriano Huerta in 1913-1914 some external securities were issued or guaranteed. Succeeding governments have not recognised the validity of the transactions carried out by such *de facto* régime. Therefore, the 1922 or subsequent debt settlement agreements did not include them. The original principal amount of this debt was £3,025,000 of bonds issued directly and US $4,500,000 of bonds of the Mexican National Packing Company which were guaranteed by the régime of General Huerta.

GENERAL INFORMATION

Mexico has agreed to pay to the Underwriters, and to W. Greenwell & Co. and Rowe and Pitman, commissions aggregating ⅝% of the nominal amount of the Stock for their services, respectively, as managers and underwriters of, and brokers to, the issue. A commission of ¾% of the nominal amount of the Stock will be paid to sub-underwriters of the issue and Mexico will pay a commission of ⅛% of the nominal amount of the Stock to recognised Banks or Stockbrokers (as defined under "Procedure for Application" above) in respect of applications bearing their stamp. The total expenses of the issue (including the above-mentioned commissions and brokerage) are estimated to amount to about £875,000 and are payable by Mexico.

The Stock in the form of Bearer Bonds has been accepted for clearance by Euro-clear Clearance System Limited (No. 3787 for partly paid Stock and No. 3805 for fully paid Stock) and by CEDEL S.A. (No. 152056 for partly paid Stock and No. 152064 for fully paid Stock).

Under present legislation the Stock is transferable free from United Kingdom stamp duty.

The Stock is not an investment falling within the First Schedule to the Trustee Investments Act 1961.

Documents for Inspection

Copies of the following documents will be available for inspection at the offices of Allen & Overy, 9 Cheapside, London EC2V 6AD during normal business hours until 29th September, 1981:—

(i) the Underwriting Agreement referred to above;
(ii) a draft, subject to modification, of the Deed Poll constituting the Stock referred to above;
(iii) a draft, subject to modification, of the Paying and Exchange Agency Agreement; and
(iv) a proof, subject to modification, of the renounceable allotment letter referred to above.

Receiving Bank	*Registrar*
National Westminster Bank Limited New Issues Department P.O. Box 79 Drapers Gardens 12 Throgmorton Avenue London EC2P 2BD	**National Westminster Bank Limited** Registrar's Department P.O. Box 82 37 Broad Street Bristol BS99 7NH

Principal Paying and Exchange Agent
National Westminster Bank Limited
Stock Office Services, P.O. Box No. 297 Drapers Gardens
12 Throgmorton Avenue London EC2P 2ES

Paying Agent	*Paying Agent*
Morgan Guaranty Trust Company of New York 35 Avenue des Arts B-1040 Brussels	**Kredietbank S.A. Luxembourgeoise** 43 Boulevard Royal P.O. Box 1108 Luxembourg

Legal Advisers to the Underwriters

In England:	In Mexico:
Allen & Overy 9 Cheapside London EC2V 6AD	**Santamarina y Steta** Paseo de la Reforma No. 76 06600 Mexico D.F.

Legal Advisers to Mexico
Slaughter and May
35 Basinghall Street London EC2V 5DB

Brokers to the Issue

W. Greenwell & Co. Bow Bells House Bread Street London EC4M 9EL	**Rowe & Pitman** City-Gate House 39-45 Finsbury Square London EC2A 1JA

APPLICATION FORM

The application list will open at 10.00 a.m. on Thursday, 17th September, 1981 and will close later the same day. This form must be lodged with National Westminster Bank Limited, New Issues Department, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2BD.

UNITED MEXICAN STATES

ISSUE ON A YIELD BASIS OF £50,000,000 LOAN STOCK 2008 REDEEMABLE ANNUALLY AT STOCKHOLDERS' OPTION FROM 1988 to 2007

Payable as follows: On application £30 per cent. On 17th November, 1981 the balance

To County Bank Limited on behalf of the United Mexican States.

In accordance with the terms of the Prospectus dated 14th September, 1981, I/we apply as below. I/We undertake to accept the amount of Stock applied for or any less amount that may be allotted in respect of this application and to pay for the same in conformity with the terms of the said Prospectus.

Nominal amount of the Stock applied for	Amount enclosed at £30 per cent. of the nominal amount applied for
£	£

Note: Applications must be for a minimum of £100 nominal amount of Stock or an integral multiple thereof and thereafter for the following multiples of Stock:

Amount of Stock applied for	*Multiple*	*Amount of Stock applied for*	*Multiple*
up to £1,000	£100	£10,000-£50,000	£5,000
£1,000-£10,000	£1,000	£50,000 or greater	£25,000

I/We enclose a cheque drawn on a branch in the United Kingdom, the Channel Islands or the Isle of Man of a bank which is either a member of the London or Scottish Clearing Houses or which has arranged for its cheques to be cleared through the facilities provided for the members of those Clearing Houses made payable to "National Westminster Bank Limited" and crossed "Mexico Loan" representing payment at the rate of £30 per cent. for the above mentioned nominal amount of Stock. I/We agree that this application shall be irrevocable. I/We understand that the completion and delivery of this Application Form accompanied by my/our cheque constitutes a representation that the same will be honoured on first presentation. I/We hereby engage to pay the balance payable on the Stock by 17th November, 1981 on any allotment made to me/us in respect of this application and I/we understand that failure to pay such balance by the due date will render the amount previously paid liable to forfeiture and the allotment liable to cancellation. I/We acknowledge that any allotment letter and (if appropriate) remittance for any application moneys returnable to be sent to me/us is liable to be held pending clearance of such cheque.

Please pin cheque here

I/We hereby request that any Stock allotted to me/us:

(delete box B or C as appropriate)

Box B	Box C *(For persons with a Euro-clear or CEDEL Account only)*
Be evidenced by an allotment letter addressed to me/us and be sent by post at my/our risk to me/us at the first address shown below.	Be evidenced by a global allotment letter addressed to Euro-clear Clearance System Limited and that my/our participation therein be credited to my/our existing securities account at: EURO-CLEAR A/c No. CEDEL A/c No.

FOR OFFICE USE ONLY
1. Acceptance No.
2. Amount of Stock accepted
3. Amount received on application £
4. Amount payable on Stock accepted £
5. Amount returned £
6. Balance payable £
7. A/L No.
8. Cheque No.

Date 1981

(1) *Usual Signature* ....

Please use BLOCK LETTERS

Forenames in full ....

Surname ....
(also state designation: Mr., Mrs., Miss or title)

Full Postal Address ....

Joint applicants (if any):
In the case of joint applicants all must sign, and in the case of a corporation this Form must be signed under hand by an authorised official who should state his capacity.

(2) *Usual Signature* ....

Forenames ....

Surname ....
(also state designation: Mr., Mrs., Miss or title)

Address in full ....

(3) *Usual Signature* ....

Forenames ....

Surname ....
(also state designation: Mr., Mrs., Miss or title)

Address in full ....

(4) *Usual Signature* ....

Forenames ....

Surname ....
(also state designation: Mr., Mrs., Miss or title)

Address in full ....

ALTERNATIVE METHOD OF PAYMENT

(This method of payment is available only to recognised Banks or stockbrokers as described in the Prospectus.)

We hereby irrevocably engage to pay National Westminster Bank Limited, New Issues Department, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2BD for credit to the account designated "Mexico Loan" by 10.00 a.m. on Wednesday, 23rd September, 1981 the amount in Town Clearing Funds representing payment at the rate of £30 per cent. for the Stock allotted to the person(s) named above in respect of this application.

Authorised Signature ....

Name of bank or broker: ....

Address: ....

Date:

Stamp of bank or broker claiming brokerage (if any)	A.L. Number	Stock Allotted

CURRENCIES, MONEY and GOLD

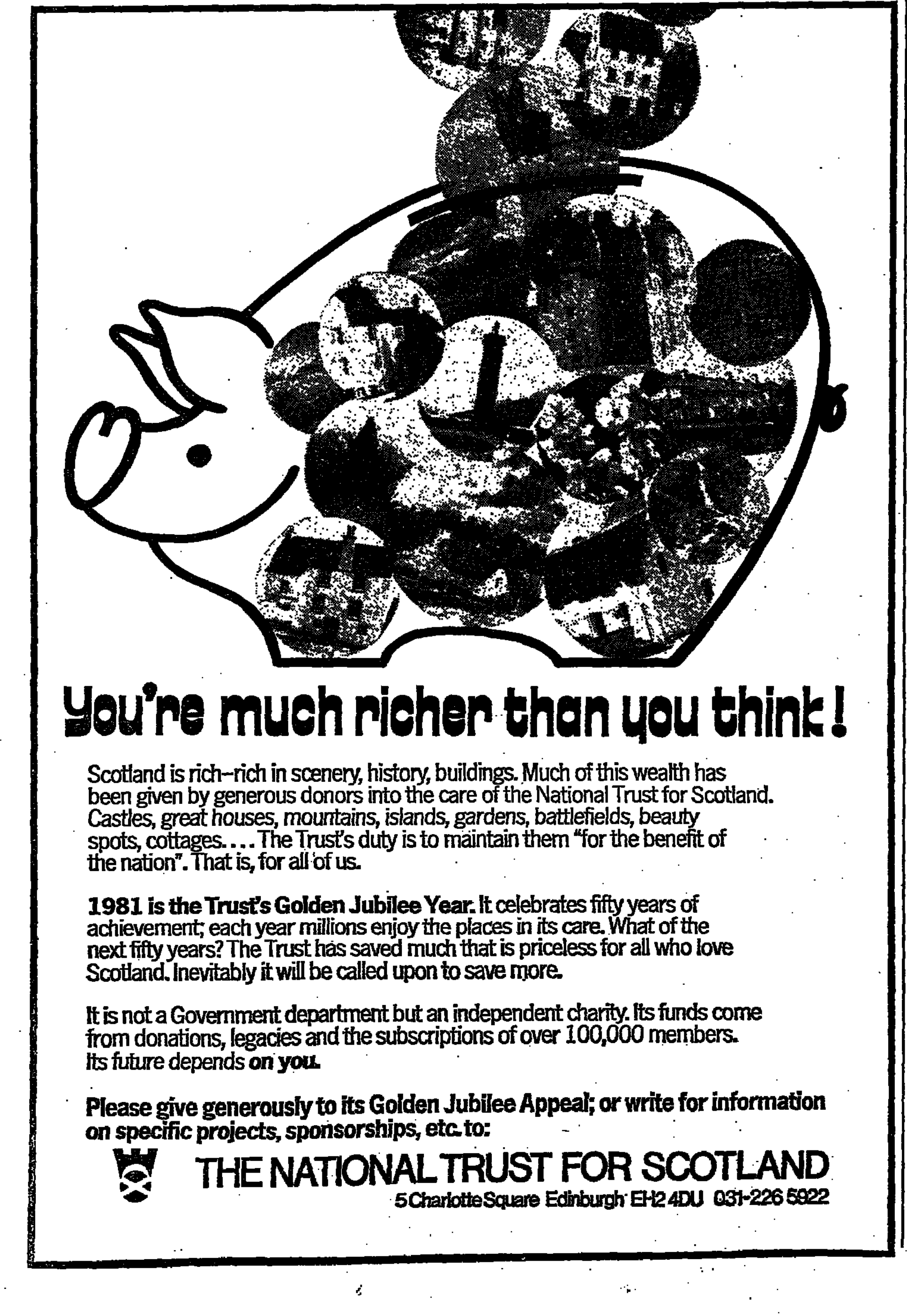
WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on September 14 1981. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling/dollar rates; (S) member of the sterling area other than Scheduled Territories; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rates; (exC) exchange certificate rate; (k) Scheduled Territory; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Afghanistan	Afghani	101.00
Albania	Lek	10.10
Algeria	Dinar	7.4535
Andorra	French Franc Spanish Peseta	10.2325 173.20
Angola	Kwanza	(CM) 62.936 (T) 65.139
Antigua (S)	E. Caribbean $	4.85
Argentina	Ar. Peso	(cm)9,763.0 (fn) 13,123.0
Australia (S)	Australian $	1.5655
Austria	Schilling	29.925
Azores	Portugu'se Escudo	116.70
Bahamas (S)	Ba. Dollar	1.8950
Bahrain (S)	Dinar	0.674
Balearic Isles	Spa. Peseta	173.20
Bangladesh (S)	Taka	33.90
Barbados (S)	Babados $††	3.5900
Belgium	B. Franc	(cm) 69.65 (fn) 76.55
Belize	B $	3.5900
Benin	C.F.A. Franc	511.625
Bermuda (S)	Bda $	1.7950
Bhutan	Indian Rupee	16.40
Bolivia	Bolivian Peso	44.05
Botswana (S)	*Pula*	1.5900
Brazil	Cruzeiro ‡‡	184.49
Brit. Virgin Isles (S)	U.S. $	1.7950
Brunei (S)	Brunei $	3.8600
Bulgaria	Lev	1.7650
Burma	Kyat	11.50
Burundi	Burundi Franc	166.825
CameroonRepublic	C.F.A. Franc	511.625
Canada	Canadian $	2.1580
Canary Islands	Spanish Peseta	173.20
Cape Verde Isle	*Cape V. Escudo*	65.55
Cayman Islands (S)	Cay. Is. $	1.4958
Cent. Af. Repub.	C.F.A. Franc	511.625
Chad	C.F.A. Franc	511.625
Chile	C. Peso	(Bk)68.93
China	Renminbi Yuan	3.1706
Colombia	C. Peso	(F) 98.57
Comoro Islands	*C.F.A. Franc*	511.625
Congo (Brazaville)	C.F.A. Franc	511.125
Costa Rica	Colon	35.95
Cuba	Cuban Peso	1.3015
Cyprus (S)	Cyprus £	0.8075
Czechoslovakia	Koruna	(com) 11.30 n/c 19.67 (T)19.08
Denmark	Danish Krone	13.355
Djibouti	Fr.	302 (sg)
Dominica (S)	*E. Caribbean $*	4.85
Dominican Repub.	Dominican Peso	1.7950
Ecuador	Sucre	(O) 45.91 (F) 55.14
Egypt	Egyptian £	(U) 1.2425
Equatorial Guinea	Ekuele	346.4
Ethiopia	Ethiopian Birr	(P) 3.5950
Falkland Islands(S)	Falkland Is. £	1.0
Faroe Islands	Danish Krone	13.555
Fiji Islands	Fiji $	1.6075
Finland	Markka	8.1625
France	French Franc	10.2325
FrenchC'tyin Af*	C.F.A. Franc	511.625
French Guiana	*Local Franc*	10.2325
French Pacific Is.	C.F.P. Franc	175 (sg)
Gabon	C.F.A. Franc	511.625
Gambia (S)	Dalasi	4.0
Germany (East)	Ostmark	4.265
Germany (West)	Deutsche Mark	4.265
Ghana (S)	*Cedi*	4.92
Gibraltar (K)	Gibraltar £	1.0
Greece	Drachma	105.147
Greenland	Danish Kroner	13.355
Grenada (S)	E. Caribbean $	4.85
Guadaloupe	Local Franc	10.2325
Guam	U.S. $	1.7950
Guatemala	Quetzal	1.7950
Guinea Republic	*Syli*	38.95
Guinea Bissau	Peso	69.40
Guyana (S)	Guyanese $	5.3310
Haiti	Gourd	8.975
Honduras Repub.	Lempira	3.58
Hong Kong (S)	H.K. $	10.691
Hungary	Forint	(com) 66.42 (T)(nc) 61.60
Iceland (S)	I. Krona	14.056(§)
India (S)	Ind. Rupee	16.40
Indonesia	Rupiah	1,121.40
Iran	Rial	145.10(sg)
Iraq	*Iraq Dinar*	0.52775
Irish Republic (k)	Irish £	1.17075
Israel	Shekel	25.50
Italy	Lira	2,151.0
Ivory Coast	C.F.A. Franc	511.625
Jamaica (S)	Jamaica Dollar	3.2012
Japan	*Yen*	413.0
Jordan (S)	Jordan Dinar	0.602(sg)
Kampuchea	Riel	2,154.0
Kenya (S)	*Kenya Shilling*	15.92
Kiribati	Australian $	1.5655
Korea (Nth)	Won	1.79(‖)
Korea (Sth)	Won	1,232.53
Kuwait	Kuwait Dinar	0.508
Laos	New Kip	17.95
Lebanon	Lebanese £	8.2235
Lesotho	Loti	1.71425
Liberia	Liberian $	1.7950
Libya	Libyan Dinar	0.5315
Liechtenstein	Swiss Franc	3.645
Luxembourg	Lux Franc	69.65
Macao	*Pataca*	11.10
Madeira	Portug'se Escudo	118.70
Malagasy Republic	MG Franc	511.625
Malawi (S)	Kwacha	1.6450
Malaysia (S)	Ringgit	4.2320
Maldive Islands (S	Mal Rupee	6.9955
Mali Republic	Mali Franc	1,023.25
Malta (S)	*Maltese £*	0.7225
Martinique	Local Franc	10.2325
Mauritania	Ouguiya ‡	103.75
Mauritius (S)	M. Rupee	15.75
Mexico	Mexican Peso	44.24
Miquelon	C.F.A. Franc	511.625
Monaco	French Franc	10.2325
Mongolia	*Tugrik*	(o)5.95(‖)
Montserrat	E. Caribbean $	4.85
Morocco	Dirham	9.77(sg)
Mozambique	Metical	54.70
Nauru	Australian Dollar	1.5655
Nepal	Nepalese Rupee	21.35
Netherlands	*Guilder*	4.7175
NetherlandAntilles	Antillian Guilder.	3.2130
New Zealand (S)	N. Z. Dollar	2.1795
Nicaragua	Cordoba	17.675
Niger Republic	C. F. A. Franc	511.625
Nigeria (S)	Naira	1.211889(sg)
Norway	Norway Krone	10.73
Oman Sul'ate of(S)	Rial Omani	0.618
Pakistan	Pakistan Rupee	16.65
Panama	Balboa	1.7950
Papua N.Guinea(S)	Kina	1.2345
Paraguay	Guarani	222.00
Peru	Sol	(exC) (A) 762.0
Philippines	Philippine Peso	13.95
Pitcairn Islands (S)	*£ Sterling* New Zealand $	— 2.1795
Poland	Zloty	(Cm)64.16 (T)64.16
Portugal	Portugu'se Escudo	118.70
Puerto Rico	U.S. $	1.7950
Qatar (S)	Qatar Ryal	6.51
Reunion Ile de la	French Franc	10.2325
Romania	Leu	(Cm)8.06 (n/c) 19.85
Rwanda	Rwanda Franc	170.81
St. Christopher (S)	E. Caribbean $	4.85
St. Helena	St. Helena £	1.0
S. Lucia	E. Caribbean $	4.85
St. Pierre	Local Franc	10.2325
S. Vincent (S)	E. Caribbean $	4.85
Salvador El	Colon	4.42
Samoa American	U.S. $	1.7950
San Marino	Italian Lira	2,151.0
Sao T'oe&Principe	Dobra	71.35
Saudi Arabia	Ryal	6.12
Senegal	C.F.A. Franc	511.625
Seychelles	S. Rupee	11.30(sg)
Sierra Leone (S)	Leone	2.1600
Singapore (S)	*Singapore $*	*3.8500*
Solomon Islands(S)	Solomon Is. $	1.6070
Somali Republic	Somali Shilling(3)	(A)11.40
Somali Republic	Somali Shilling (4)	22.36
South Africa (S)	Rand	1.71425
South West African Territories (S)	S. A. Rand	1.71425
Spain	Peseta	*173.20*
Spanish ports in North Africa	Peseta	173.20
Sri Lanka (S)	*S. L. Rupee*	35.25
Sudan Republic	Sudan £ (1)	0.90
Sudan Republic	Sudan £ (2)	1.44
Surinam	S. Guilder	3.2130
Swaziland (S)	Lilangeni	1.71425
Sweden	S. Krona	10.195
Switzerland	Swiss Franc	3.645
Syria	Syria £	(A)11.0
Taiwan	New Taiwan $	64.60
Tanzania (S)	Tan. Shilling	14.75
Thailand	*Baht*	*40.85*
Togo Republic	C.F.A. Franc	511.625
Tonga Islands (S)	Ha'anga	1.5655
Trinidad (S)	Trinidad & Tob. $	4.3080
Tunisia	Tunisian Dinar	0.940(sg)
Turkey	Turkish Lira	215.31
Turks & Caicos	U.S. $	1.7950
Tuvalu	*Australian $*	1.5655
Uganda (S)	Uganda Shilling	145.0
United States	U.S. Dollar	1.7950
Uruguay	Uruguay Peso	(com)19.57 (fn)19.54
Utd.Arab Emirates	U.A.E. Dirham	6.57
U.S.S.R.	Rouble	1.3388
Upper Volta	C.F.A Franc	5.11.625
Vanuatu	Vatu Aust. Dollar	155(sg) 1.5655
Vatican	Italian Lire	2,151.0
Venezuela	Bolivar	7.59
Vietnam	Dong	(O)3.9130 (T)4.38(11)
Virgin Islands U.S.	U.S. Dollar	1.7950
Western Samoa	S. Samoan Tala	1.9245
Yemen (Nth)	Ryal	*8.09(sg)*
Yemen (Sth)	S. Yemen Dinar	(A)0.6080
Yugoslavia	New Y Dinar	69.7602
Zaire Republic	Zaira	10.050283
Zambia	Kwacha	1.6050
Zimbabwe	Zimbabwe $	1.2950

*That part of the French community in Africa formerly French West Africa or French Equatorial Africa. †Rupees per pound. ‡General rates of oil and iron exports 75.40. **Rate is the transfer market (controlled). ††Rate is now based on 2 Barbados $ to the dollar. ‡‡Now one official rate. (U)Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt and who are not members of IMF. (‖)Based on gross rates against Russian rouble. (1)Official rates for government transactions and specified exports and imports. (2)Parallel rates for non-government transactions and non-specified exports and imports. §One new Krona=100 old Kronur. (3)Parallel exchange rate for essential imports. (4)Exports, non-essential imports and transfers.



£ and $ ease

Sterling lost ground in currency markets yesterday although there were no new factors to affect trading. Interest in the pound was minimal for much of the day. Sterling recovered later in the day as domestic interest rates rose following signals from the Bank of England that higher interest rates were now necessary to achieve monetary aims and in view of sterling's current weakness.

The dollar was weaker against most currencies reflecting a softer trend in U.S. interest rates after Friday's U.S. money supply figures.

The Italian lira and Danish krone were both weaker in the European Monetary System yesterday, while other currencies showed little change. The devaluation of the Swedish krone led to speculation that some sort of currency re-alignment within the EMS could take place. The D-mark remained the strongest currency and the Belgian franc the weakest.

STERLING — trade weighted index (Bank of England) fell to 87.0 from 87.5, having stood at 86.6 at noon and 87.4 in the morning. Sterling recovered during the afternoon on expectations of higher domestic interest rates. *Against the dollar it closed at* $1.7950, a rise of 1.7c, having touched a low of $1.7660 during the afternoon. Against the D-mark it sank to DM 4.18 at one point but recovered to close at DM 4.2650 from DM 4.27 on Friday. It finished at SwFr 3.6450 against the Swiss franc from SwFr 3.6525.

DOLLAR — trade weighted index (Bank of England) fell to 110.1 from 110.6. The dollar fell *during* the morning but recovered ground in the afternoon. Against the D-mark it *finished at DM 2.3740 from* DM 2.4010 and SwFr 2.0310 from SwFr 2.0540. In terms of the Japanese yen the U.S. unit eased to Y230.10 from Y231.40.

D-MARK — Very firm at the top of the European Monetary System and now trading fairly steadily against the dollar. After falling to a five-year low against the U.S. currency in early August, the D-mark has improved on a slightly easier trend in U.S. interest rates and a better trade performance. The market remains nervous about future *trends in interest rates* and continued tension in Poland.— The D-mark was mostly firmer after yesterday's *fixing in Frankfurt.* The dollar eased on slightly easier Euro-dollar rates following Friday's fall in U.S. money supply. The Bundesbank did not intervene when the dollar was fixed lower at DM 2.3743 from DM 2.4036 while sterling dipped to DM 4.2130 from DM 4.3160 on lack of confidence.

SWEDISH KRONE — Devalued *yesterday by 10 per cent* as part of an economic package designed to stimulate the Swedish economy. *Other* measures included an immediate price freeze and a reduction in Value Added Tax. However key lending rates were left unchanged reflecting little room for manoeuvre in view of high interest rates elsewhere — The 10 per cent devaluation came as something of a surprise to many dealers although there had been some *speculation over the weekend.* In the past year the krone has risen steadily against the D-mark and other trading partners and the authorities' latest move should help restore Sweden's export competitiveness. The dollar was quoted at SKr 5.6860 compared with SKr 5.1825 on Friday and sterling stood at SKr 10.1285 from SKr 9.2150. The Swedish central bank was in the market from time to time to smooth out any fluctuations. The D-mark traded *at SKr 2.3930* against SKr 2.1575 before the devaluation.

THE POUND SPOT AND FORWARD

Sept 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.7860-1.7980	1.7945-1.7955	0.45-0.55c dis	−3.34	1.50-1.60dis	−3.46
Canada	2.1200-2.1610	2.1575-2.1585	1.10-1.20c dis	−6.39	3.20-3.40dis	−6.12
Nethlnd.	4.62-4.73	4.71½-4.72½	¾-¼c pm	1.27	1⅞-1⅝ pm	1.38
Belgium	68.40-69.80	69.60-69.70	47-62c dis	−9.39	110-125dis	−6.75
Denmark	13.12-13.37	13.35-13.36	7¼-8¾ore dis	−6.96	14¼-16½dis	−4.88
Ireland	1.1530-1.1720	1.1700-1.1715	0.32-0.44p dis	−3.89	0.93-1.12dis	−3.50
W. Ger.	4.18-4.28	4.26-4.27	1⅞-⅞pf pm	2.11	2⅛-1⅞ pm	1.88
Portugal	116.20-119.00	118.60-118.80	80-205c dis	−14.41	385-480dis	−11.20
Spain	170.20-173.40	173.10-173.30	70-100c dis	−5.89	220-250 dis	−5.43
Italy	2112-2153	2150-2152	17½-19½lire dis	−10.46	63½-65½dis	−11.95
Norway	10.50-10.77	*10.72½-10.73½*	¼ore pm-½ dis	—	1½-½ pm	0.30
France	10.09-10.24	10.22½-10.23½	5-6c dis	−6.45	18½-19½dis	−7.33
Sweden	10.03-10.22	10.18½-10.20½	½-⅞ore dis	−0.59	½-1½ dis	−0.39
Japan	405-422	412½-413½	2.35-2.05y pm	6.39	7.05-6.75 pm	6.69
Austria	29.35-30.00	29.90-29.95	8-3gro pm	2.21	15-5 pm	1.34
Switz.	3.56-3.66	3.64-3.65	1⅛-⅞c pm	2.88	3½-2⅞ pm	3.43

Belgian rate is for convertible francs. Financial franc 76.50-76.60.
Six-month forward *dollar 2.98-3.08c dis.* 12-month 5.60-5.80c dis.

THE DOLLAR SPOT AND FORWARD

Sept 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7860-1.7980	1.7945-1.7955	0.45-0.55c dis	−3.34	1.50-1.60dis	−3.45
Ireland†	1.5310-1.5390	1.5330-1.5350	0.10c pm-par	0.39	.25pm-.15dis	−0.13
Canada	1.1985-1.2020	1.2013-1.2016	0.34-0.38c dis	−3.84	0.79-0.84dis	−2.71
Nethlnd.	2.6220-2.6300	2.6220-2.6250	1.07-0.97c pm	4.68	3.10-3.05 pm	4.72
Belgium	38.81-38.95	38.81-38.83	10-20c dis	−4.64	27-37 dis	−3.30
Denmark	7.4300-7.4700	7.4300-7.4500	1⅛-1⅞ore dis	−2.22	1¾-¼ dis	−0.81
W. Ger.	2.3620-2.3820	2.3735-2.3745	1.09-1.04pf pm	5.38	3.25-3.20 pm	5.44
Portugal	65.80-66.35	66.10-66.35	25-90c dis	−10.42	45-205 dis	−7.55
Spain	96.38-96.70	96.38-96.43	10-20c dis	−1.87	30-45 dis	−1.55
Italy	1179½-1200	1198-1200	8½-10lire dis	−9.26	28-32 dis	−9.84
Norway	5.9440-6.0650	5.9700-5.9900	2.30-1.80ore pm	4.11	6.20-5.70 pm	3.97
France	5.6800-5.7050	5.6985-5.7035	1.30-1.80c dis	−3.26	5.25-5.00dis	−3.56
Sweden	5.6770-5.7050	5.6775-5.6825	2.30-2.10ore pm	4.64	6.60-6.40 pm	4.57
Japan	229.75-231.75	230.05-230.15	1.95-1.80y pm	9.78	5.85-5.70 pm	10.04
Austria	16.66-16.72	16.66-16.57	9¼-7½gro pm	6.12	20½-16½ pm	5.16
Switz.	2.0140-2.0375	2.0295-2.0305	1.22-1.12c pm	6.92	3.75-3.60 pm	7.24

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Sept. 14	Bank of England Index	Morgan Guaranty Changes%
Sterling	87.0	−35.4
U.S. dollar	110.1	+3.6
Canadian dollar	88.3	−16.9
Austrian schilling	113.7	+25.4
Belgian franc	106.4	+10.2
Danish kroner	87.9	−8.1
Deutsche mark	118.6	+40.3
Swiss franc	139.2	+87.3
Guilder	110.2	+16.3
French franc	83.2	−11.3
Lira	57.5	−55.8
Yen	140.4	+34.6

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Sept. 11	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.631744	0.577393
U.S. $	14	1.13398	1.03902
Canadian $	20.18	1.36463	1.25378
Austria Sch.	6¾	19.1498	17.5178
Belgian F.	15	44.5703	40.8438
Danish K.	11	8.53036	7.80718
D mark	7½	2.72563	2.49564
Guilder	9	3.01809	2.76067
French Fr.	9½	6.53796	5.98215
Lira	19	1369.00	1251.09
Yen	6¼	262.686	240.377
Norwgn. Kr.	9	6.78120	6.21175
Spanish Pts.	8	110.563	101.177
Swedish Kr.	12	5.88309	5.38536
Swiss Fr.	6	2.33940	2.13834
Greek Dr'ch.	20½	—	61.158

OTHER CURRENCIES

Sept. 14	£	$		£ Note Rates
Argentina Peso	9753-9773†	5514-5634†	Austria	29.55-29.95
Australia Dollar	1.5635-1.5675	0.8720-0.8725	Belgium	75.80-76.60
Brazil Cruzeiro	183.99-184.99	104.12-104.64	Denmark	13.38-13.45
Finland Markka	8.150-8.175	4.5700-4.5720	France	10.11-10.31
Greek Drachma	105.562-106.752	57.85-58.05	Germany	4.22-4.27
Hong Kong Dollar	10.686-10.696	5.9800-5.9900	Italy	2100-2155
Iran Rial	145.10*	80.50*	Japan	415-420
Kuwait Dinar (KD)	0.505-0.511	0.2840-0.2842	Netherlands	4.66½-4.71½
Luxembourg Fr.	69.60-69.70	38.81-38.83	Norway	10.75-10.80
Malaysia Dollar	4.2270-4.2370	2.3665-2.3685	Portugal	115-124
New Zealand Dlr.	2.1770-2.1820	1.2130-1.2140	Spain	168-176¼
Saudi Arab. Riyal	6.09-6.15	3.4190-3.4200	Sweden	10.20-10.27
Singapore Dollar	3.8450-3.8550	2.1520-2.1550	Switzerland	3.60½-3.65½
Sth. African Rand	1.7135-1.7150	0.9545-0.9555	United States	1.76-1.78
U.A.E. Dirham	6.54-6.60	3.6725-3.6735	Yugoslavia	73-76½

† Rate given for Argentina is the commercial rate. The financial rate for sterling is 13,113-13,133 and for the dollar 7,400-7,450. *Sterling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU September 14	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	40.6744	−0.30	+1.06	±1.5361
Danish Krone	7.91917	7.78580	−1.68	−0.32	±1.6413
German D-Mark	2.54502	2.48240	−2.46	−1.10	±1.1386
French Franc	5.99526	5.95440	−0.68	+0.68	±1.3638
Dutch Guilder	2.81318	2.74416	−2.45	−1.09	±1.5159
Irish Punt	0.685145	0.680942	−0.61	+0.75	±1.6688
Italian Lira	1262.92	1253.25	−0.77	−0.28	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Sept. 14	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.795	4.265	413.0	10.233	3.645	4.718	2151.	2.158	69.66
U.S. Dollar	0.557	1.	2.376	230.1	5.701	2.031	2.628	1198.	1.202	38.80
Deutschemark	0.234	0.421	1.	96.83	2.399	0.855	1.106	504.3	0.506	16.33
Japanese Yen 1,000	2.421	4.346	10.33	1000.	24.78	8.825	11.42	5208.	5.225	168.6
French Franc 10	0.977	1.754	4.168	403.6	10.	3.562	4.610	2102.	2.109	68.07
Swiss Franc	0.274	0.492	1.170	113.3	2.807	1.	1.294	590.1	0.592	19.11
Dutch Guilder	0.212	0.380	0.904	87.56	2.169	0.773	1	456.0	0.457	14.76
Italian Lira. 1,000	0.465	0.834	1.983	192.0	4.757	1.695	2.193	1000.	1.003	32.38
Canadian Dollar	0.463	0.832	1.976	191.4	4.742	1.689	2.186	996.6	1.	32.28
Belgian Franc 100	1.436	2.577	6.123	593.0	14.69	5.233	6.773	3088.	3.098	100

FT LONDON INTERBANK FIXING (11.00 a.m. SEPTEMBER 14)

3 months U.S. dollars		6 months U.S. dollars	
bid 17 13/16	offer 17 15/16	bid 18	offer 18 1/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, *of the bid and offered rates for $10m quoted by the market to five reference* banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Sept. 14	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	13⅛-14	16¾-17	19½-20½	10½-11½	5-5¼	11⅝-11¾	17-18	19-22	16-18	7⅛-7¼
7 days' notice	*13¾-14¼*	*16⅞-17⅛*	*19½-20½*	*10½-11½*	6¾-7	11¾-11⅞	17½-18½	22-24	18½-22	7⅛-7¼
Month	14⅛-14⅜	17¼-17½	20½-20⅞	12⅝-12¾	10 5/16-10 7/16	12-12⅛	21-22	25-26½	22-24	7 3/16-7 5/16
Three months	14¼-14½	17 5/16-17 7/16	20¼-20⅝	12¾-12⅞	10 5/16-10 7/16	12⅛-12¼	22-23	27-28	20½-22	7 5/16-7 7/16
Six months	14¼-14½	17⅞-18⅛	19⅞-20¼	12¾-12⅞	10⅜-10½	12 3/16-12 5/16	22¾-23¾	27¼-28¼	*19½-20½*	7 5/16-7 7/16
One Year	14¼-14½	17 9/16-17 11/16	19⅝-20	12½-12¾	9 15/16-10 1/16	12 1/16-12 3/16	21½-22½	27½-28½	18½-19	7¼-7⅜

SDR linked deposits: one-month 14 15/16-15 3/16 per cent; three-months 15 7/16-15 11/16 per cent; *six-months 15 11/16-15 15/16 per cent; one-year 15 7/16-15 11/16 per cent.*
ECU linked deposits: one-month 14 11/16-15 1/16 per cent; three-months 15 13/16-16 3/16 per cent; six-months 16 5/16-16 11/16 per cent; one-year 16 5/16-16 11/16 per cent.
Asian $ (closing rates in Singapore): one-month 17⅜-17½ per cent; three-moths 17 11/16-17 13/16 per cent; six-months 17⅞-18 per cent; one year 17 11/16-17 13/16 per cent.
Long-term Eurodollar two years 17½-17¾ per cent; three years 17¼-17½ per cent; four years 17-17¼ per cent; five years 16⅞-17⅛ per cent; *nominal closing rates.*
The following nominal rates were quoted for London dollar certificates of deposit: one-month 17.15-17.25 per cent; three-months 17.45-17.55 per cent; six-months 17.45-17.55 per cent; one year 17.25-17.35 per cent.

MONEY MARKETS

Signal on rates

London clearing banks base lending rates 12 per cent

Interest rates rose in the London money market yesterday afternoon, following the decision by the authorities to lend money *to the discount houses rather* than take out the underlying shortage of funds in the usual *way by purchases of bills.* Seven-day interbank money rose to 13¾-14 per cent from 12⅜-12½ per cent after the news, with overnight funds finishing very tight at 20 per cent, compared with an opening level of 12¼-12⅜ per cent.

In the early afternoon the Bank of England said that it was not offering to buy bills or enter *into repurchase operations* but later announced that 79m had been lent to five or six houses *overnight at 13¾ per cent.* The authorities did not operate in the money market during the morning, following an early forecast of a shortage of about 50m, which was revised to 100m in the afternoon.

Short conditions are also expected today, leading to some nervousness about the likely attitude of the authorities if there is no earlier move by the *clearing banks* to increase base lending rates. Market sources suggested that base rate will increase to 13½ per cent or 14 per cent, with most estimates pointing towards the upper level. Discount houses buying rates for three-month Treasury bills and bank bills *were 13⅞-14 per cent* last night, compared with 13 7/16-13 9/16 per cent previously.

According to the early statement from the authorities yesterday, the main market factors were: a net take-up of Treasury bills −£130m, Exchequer transactions −£20m, and a fall in the note circulation +£100m.

In Tokyo money market conditions are expected to remain easy this week, reflecting the low level of corporate demand for *borrowed funds. Last* week the market was also helped by Government disbursements totalling Y200bn, but the Bank of Japan probably drained about Y900bn, and is expected to continue to drain funds from the market in an effort to prevent interest rates softening excessively. Call money was slightly firmer yesterday at 7.4375 per cent compared with 7.3125 per cent, but bill discount rates were unchanged. No serious shortages are expected for some time, while the central bank seems likely to pursue a middle course on interest rates to prevent a weakening of the yen or impair Government attempts to increase economic growth.

GOLD

Slight rise

Gold rose just $1 per ounce in the London bullion market yesterday from Friday's close to $450-452. The metal opened at *$455¼-456¼ and* was fixed at $456 during the morning. However profit taking saw the metal ease *to $451.25* at the afternoon fixing although the outlook remained quite bullish.

In Paris the 12½ kilo bar was fixed at FFr 91800 per kilo ($501.85 per ounce) in the afternoon compared with FFr 91,500 ($499.28) in the morning and FFr 90,500 ($488.22) on Friday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 34,750 per kilo ($455.20 per ounce) against DM 34,700 ($448.97) previously and closed at $450-452 against $446½-448½.

In Luxembourg the dollar per ounce equivalents of the 12½ kilo bar was $456.50 against $447.50.

In Zurich gold finished at $450-453 from $447-450.

	Sept. 14		Sept. 11	
Gold Bullion (fine ounce)				
Close	$450-452	(£251½-252½)	$449-451	(£252-253)
Opening	$455½-456½	(£254¾-255¼)	$447½-448½	(£248¼-249¼)
Morning fixing	$456	(£255.036)	$447.75	(£249.33)
Afternoon fixing	$451.25	(£252.301)	$448.25	(£250.9)
Gold Coins				
Krugerrand	$470-473	(£262½-264¼)	$463½-464½	(£258¼-259¼)
½ Krugerrand	$239-242	(£133½-135)	$238½-239½	(£133-133½)
¼ Krugerrand	$121-124	(£67½-69¼)	$121½-122½	(£67¾-68¼)
1/10 Krugerrand	$49-52	(£27¼-29)	$49½-50½	(£27½-28)
Mapleleaf	$470-473	(£262¼-264¼)	$463½-464½	(£258¼-259¼)
New Sovereigns	$111½-112½	(£62¼-62¾)	$111½-112½	(£62¼-63)
King Sovereigns	$125-127	(£69¾-71)	$126½-127½	(£70½-71)
Victoria Sovs.	$125-127	(£69¾-71)	$125½-127½	(£70½-71)
French 20s	$132-136	(£73¾-76½)	$130-135	(£72½-75)
50 pesos Mexico	$562-565	(£313¾-315½)	$560-563	(£312½-314)
100 Cor. Austria	$439-442	(£245¼-246¾)	$438-441	(£244¼-246)
$20 Eagles	$585-590	(£326¾-329½)	$580-585	(£323¼-326)

MONEY RATES

NEW YORK

Prime rate	20-20½
Fed. funds	16½-16½
Treasury bills (13-week)	14.50
Treasury bills (26-week)	14.87

GERMANY

Special Lombard	12.0
Overnight rate	12.00
One month	12.575
Three months	12.675
Six months	12.90

FRANCE

Intervention rate	17.0
Overnight rate	17.375
One month	17.27
Three months	17.25
Six months	16.1876

JAPAN

Discount rate	6.25
Call (unconditional)	7.4375
Bill discount (three-month)	7.40625

LONDON MONEY RATES

Sept. 14 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	12½-20	12½-12¾	—	—	12¾-12⅞	12-13½	—	—	—
2 days notice	—	—	12¾-12⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12⅝-12⅞	12⅞-13	—	—	—	—	—	—	—
One month	14⅛-13¾	13⅛-13⅞	13¼	14¼-15¼	12⅞	13-13⅛	12⅞-13	14	14	14⅛
Two months	14¼-14	13⅞-13⅝	—	14¼-15¼	13¼	13¾-14⅛	13¼	13⅞-14	13⅞-14	14⅜
Three months	14¼-14⅛	13¾-13⅞	13⅞	14¼-13¾	13⅝	14⅛	13¾	13⅞-14	13¾-14	14⅛
Six months	14⅜-14⅛	14⅛-14⅛	14⅛	14-15⅛	13⅞	14⅛	—	—	13⅛	13⅞
Nine months	14⅜-14¼	14⅛-14¼	—	14⅛-14	14⅛	—	—	—	—	—
One year	14 7/16-14¼	14 7/16-14⅜	14⅜	14½-14	14¼	—	—	—	—	—
Two years	—	—	14⅛	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 14¾ per cent; four years 14⅞ per cent; five years 15 per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13½-13⅞ per cent; four-month trade bills 14⅛ per cent.

Approximate selling rate for one-month Treasury bills 13⅛ per cent; two-months 13⅝-13¾ per cent; three-months 13⅛-13¼ per cent. Approximate selling rate for one-month bank bills 13⅞ per cent; two-months 13½-13⅝ per cent and three-months 13½-13¾ per cent; one-month trade bills 14⅛ per cent; two-months 14⅛ per cent and three-months 14⅜ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 14½ per cent from September 1, 1981. *Clearing Bank Deposit Rates for sums at seven days' notice* 8 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rate of discount 13.2110 per cent.

WORLD STOCK MARKETS

NEW YORK

Stock	Sept. 11	Sept. 10
ACF Industries	39	38⅞
AMF	24⅝	23¼
AM Intl	9½	9
ARA	28⅛	28⅛
ASA	52⅝	51⅝
AVX Corp	16¾	16½
Abbott Labs	25⅜	25
Acme Cleve	21½	21¾
Adobe Oil & Gas	34⅝	32¾
Advanced Micro	18⅞	18⅝
Aetna Life & Gas	37⅝	37⅛
Ahmanson (H.F.)	17¾	17¼
Air Prod & Chem	37⅞	36⅛
Akzona	11⅞	11⅝
Albany Int	26¾	26¼
Alberto-Culv	11⅝	11⅛
Albertson's	23⅝	23¾
AlcanAluminium	25¾	24¾
Alco Standard	18⅝	18¼
Alegheny Intl	38⅞	39¼
Allied Corp	45⅜	45⅛
Allied Stores	26⅛	26
Allis-Chalmers	15⅞	16
Alpha Portd.	9⅝	9½
Alcoa	26⅞	26¾
Amal. Sugar	41⅜	39¾
Amax	51½	51⅝
Amerada Hess	27⅛	27⅝
Am. Airlines	15¾	15⅞
Am. Brands	37⅝	37½
Am. Broadcast'g	29¼	28½
Am. Can	33⅛	33⅝
Am. Cyanamid	26⅝	26⅛
Am. Elect.Powr.	16½	16¼
Am. Express	43	42¼
Am. Gen. Insnce.	38⅝	38¼
Am. Hoist & Dk.	17⅛	16⅞
Am. Home Prod.	30½	29¼
Am. Hosp. Suppy	35⅞	36¼
Am. Medical Intl.	39¾	38⅝
Am. Motors	3⅜	3½
Am. Nat. Resces.	38⅝	38⅜
Am. Petfina	55	55¼
Am. Quasar Pet.	18¾	18½
Am. Standard	32	31⅜
Am. Stores	22⅛	21⅞
Am Tel. & Tel.	56⅛	55⅞
Ametek Inc.	27	26¾
Amfac	21¾	22
AMP	47¼	47
Amstar	21⅞	21⅝
Amstead Inds.	37¼	37⅜
Anchor Hockg	15¾	15¾
Anheuser-Bh.	35⅝	35⅝
Arcata	34½	34½
Archer Daniels	15¾	15½
Armco	31½	30⅞
Armstrong CK.	15¼	15⅛
Asamera Oil	12⅜	12⅛
Asarco	37½	36⅞
Ashland Oil	39⅜	36¾
Assd D Goods	25⅜	25½
Atlantic Rich	44⅛	44⅜
Auto-Data Prg	27⅝	27¼
Avco	22	21⅛
Avery Intl	22⅝	22
Avnet	46¼	44¾
Avon Prods	35	34
Baker Intl	39⅛	38⅜
Balt. Gas & El.	21⅝	21½
Bancal Trist	31	29¾
Bangor Punta	19	19¼
Bank America	22½	21⅝
Bank of N.Y.	35⅝	34⅞
Bankers Tst. N.Y.	31¼	29⅝
Barry Wright	17	16⅝
Bausch & Lomb	46	46⅜
Baxt Trav Lab	50½	49⅝
Beatrice Foods	19⅝	19¾
Beckman Instr	28⅜	28¼
Beker Inds	11¼	11¼
Bell & Howell	19	19
Bell Industries	15¼	14⅝
Bendix	59¾	59¼
Beneficial	20½	20½
Beth Steel	22	22
Big Thee Inds	29¼	28½
Black & Decker	16¼	15⅞
Block HR	33¼	32½
Blue Bell	27¼	27
Boeing	25½	24⅛
Boise Cascade	32⅝	31⅜
Borden	27⅞	27⅝
Borg Warner	46½	45⅛
Braniff Intl	3	2⅞
Briggs Stratn	23	23⅞
Bristol-Myers	49⅛	49¼
BP	22⅛	22⅛
Brockway Glass	14¾	14¾
Brown Forman B	27⅛	27⅝
Brown Grp	25¾	25⅛
Brown & Sharp	20	18⅞
Browng-Ferris	28⅝	28⅝
Brunswick	17	17
Bucyrus-Erie	19½	19⅞
Burlington Ind	23⅛	23⅜
Burlington Nrthn	46	46
Burndy	17¾	17¾
Burroughs	34⅜	33⅞
CBI Inds	45½	44
CBS	50	48⅞
CPC Intl	39	38⅝
CSX	45¼	45⅛
Campbell Red L	18¼	18⅜
Campbell Soup	25⅞	26⅝
Campbell Tagg	31⅛	30⅞
Canal Randolph	28¼	28¼
Can. Pacific	36⅝	36¼
Carlisle Corp	30¾	30⅝
Carnation	27	27¼
Carp Tech	44¼	44¼
Carter Hawley	15¾	16
Caterpillar	58⅜	57½
Celanese Corp	57⅞	58⅞
Centex	27¾	27
Central & Sw	13⅝	13⅛
Central Soya	10¾	11
Central Tel Util	30¼	30
Certain-teed	12¼	11⅞
Cessna Aircraft	25½	24⅛
Champ Home Bld	2⅛	2½
Champ Int	22¼	22⅜
Champ Sp Plug	9⅝	9½
Charter Co.	8⅞	8⅞
Chase Manhatt'n	51½	50⅛
Chemical NY	50½	48½
Cheese Pond	32⅜	32⅜
Chicago Pneum	20¼	20⅛
Chrysler	5¼	5¼
Chubb	44⅞	44⅝
Cincinnati Mil	29⅜	28⅛
Citicorp	24⅛	23¾
Cities Service	47½	48½
City Investg	24⅜	24⅛
Clark Equipment	29⅞	29¾
Cleve Cliffs Iron	34⅜	34⅛
Clorox	11⅜	11
Cluett Peaby	12⅜	12⅛
Coca Cola	32⅛	31⅝
Coca Btl. N.Y	10¼	10¼
Colgate Palm	14⅛	14⅛
Collins Aikman	9⅞	9⅞
Colt Inds	87½	87½

Stock	Sept. 11	Sept. 10
Columbia Gas	32	31½
Columbia Pict	33½	33⅝
Combined Int	20½	20⅛
Combustn. Eng.	37	37½
Cmwlth.Edison	19½	20½
Comm.Satellite	48⅜	48¼
Comp. Science	15⅝	15¾
Cone Mills	30½	30¼
Conn Gen. Inn	48	47
Conoco	74	73¾
Conrac	23	23
Cons-Edison	28	27⅛
Cons Foods	29⅝	28¾
Cons Freight	35⅝	36
Cons.Nat.Gas	47	46⅜
ConsumerPower	16⅜	16¼
Cont Air Lines	8½	9
Conti Corp	24⅞	24¾
Conti Group	33¼	32¾
Cont. Illinois	36⅝	36
Conti Teleo	16⅝	16⅜
Control Data	66⅝	65⅝
Cooper Inds	46⅞	46⅞
Coors Adolph	11½	11½
Copperweld	39½	38½
Corning Glass	56½	56½
Corroon Black	18½	18⅞
Cox Broadcast'g	65½	64¼
Crane	34⅝	34⅝
Crocker Nat	41½	40¾
Crown Cork	28½	28¼
Crown Zell	32¾	32½
Cummins Eng	39½	40¼
Curtiss-Wright	45½	45½
Damon	6¼	6
Dana	25⅛	24⅞
Dart & Kraft	47½	47⅝
Data Gen	46⅜	43⅝
Dayton-Hudson	55¾	54¼
Deere	37⅛	36⅝
Delta Air	59⅜	57¾
Denny's	24½	23½
Dentsply Intl	12⅞	13
Detroit Edison	11½	11¾
Diamond Intl	30¼	31
Diamond Shamk	29⅞	30
DiGiorgio	10½	10¼
Digital Equip	90⅞	90⅝
Dillingham	10⅝	10¾
Dillon	22	21⅞
Disney (Walt)	49¾	49⅜
Dome Mines	24¼	23¾
Donnelly (RR)	36⅝	36⅛
Dover Corp	55	54⅝
Dow Chemical	28½	28
Dow Jones	43½	43½
Dresser	40	39⅜
Dr. Pepper	11¾	11¾
Duke Power	19½	19½
Dun & Brad	60½	60½
Du Pont	40	39⅝
E G & G	34⅜	33⅜
Easco	20¾	20⅞
Eastern Airlines	7¾	7⅝
Eastern Gas & F.	20½	20¾
Eastman Kodak	65¾	64¾
Eaton	29½	28⅞
Echlin Mfg	11¾	11½
Eckherd Jack	23	22⅞
Electronic Data	23	22¾
Elect. Memories	3⅝	3⅜
El Paso	24¾	24¾
Emerson Elect	38¾	39¾
Emery Air Fgt	13⅝	13⅜
Emhart	26⅞	26⅞
Engelhard Corp	20¼	19¼
Enserch	30¼	30
Envirotech	8⅝	8⅝
Esmark	50¼	50½
Ethyl	24¼	24¼
Evans Prods	20⅝	21
Ex Cell O	23⅞	23
Exxon	33½	32¾
FMC	27¼	27¼
Faberge	20⅜	20¾
Fedders	4	4
Federal Co	18¾	18⅝
Federal-Mogul	22⅞	22⅞
Fed. Nat. Mort	7⅝	7⅝
Fed. Paper Brd	27¼	27⅛
Fed. Resourses	2½	2⅝
Fed. Dep. Stores	34⅝	34⅝
Fieldcrest Ml	22	22
Firestone	10¾	10⅝
1st Bank System	35¾	36
1st Charter Fin	14⅜	13⅞
1st Chicago	17¾	18
1st City BankTex	32	31¾
1st Int Banc	29	27⅝
1st Interstate	36⅛	35½
1st Mississippi	19⅛	19⅝
1st Nat. Boston	39⅛	38½
1st Penn	3¾	3⅞
Fisons	2⅝	2⅝
Fleetwood Ent	10⅞	10⅝
Flexi-Van	20⅜	20
Florida Pwr & L	27½	26¾
Ford Motor	19⅞	19¾
Foremost Mck	34	34
Foster Wheeler	15⅛	16⅛
Foxboro	45⅞	45¾
Freeport McM	30⅝	29⅝
Fruehauf	25	24¾
GAF	12⅜	12⅛
GATX	32¾	32⅛
Gannet	35¾	35⅝
Geico	20	19⅝
Gen Am Invest	17⅞	17⅝
Gen Cinema	32⅝	32¼
Gen Dynamics	25⅜	24⅜
Gen Electric	54¾	53⅝
Gen Foods	28½	28¼
Gen Instrument	35	34⅝
Gen Mills	34⅝	34
Gen Motors	46⅝	45⅝
Gen Portland	36⅝	36½
Gen Pub Utilities	5¼	4½
Gen Signal	39⅛	39
Gen Telep Elec	29¾	29¼
Gen Tire	25⅛	24¾
Genesco	7½	7⅛
Genuine Parts	32¼	31⅞
Georgia Pac	22	21½
Geosource	48¾	49⅝
Gerber Prod	31⅛	31
Getty Oil	61¾	61¾
Giddings Lewis	17¼	17¾
Gillette	28⅝	28¼
Global Marine	22⅜	21¾
Goodrich (BF)	22	21⅞
Goodyear Tire	18⅝	18⅞
Gould	24¼	28⅜
Grace	43	42
Grainger (WW)	39⅛	33⅞

Stock	Sept. 11	Sept. 10
Gt. Atl. Pac. Tea	4⅛	4⅛
Gt. Basins Pet.	12½	12⅜
Gt.Nthn.Nekoosa	37½	37¼
Gt West Financil	16½	16⅛
Greyhound	15⅜	14⅞
Grumman	22⅜	22⅝
Gulf & Western	16⅝	16⅝
Gulf Oil	36¾	35¾
Hall FB	26½	26⅝
Halliburton	56⅛	56¼
HammermillPpr.	26⅜	26⅝
Handleman	14⅛	14¼
Hanna Mining	35¼	34⅛
Harcourt Brace	16⅝	16⅝
Harnischfeger	12¼	12⅛
Harris Bancp	25⅜	24¾
Harris Corp	42⅝	41⅜
Harsco	19⅞	19¾
Hecla Mining	14¾	14⅝
Heinz (HJ)	55¼	55⅛
Heller Intl	20⅛	19
Hercules	20¾	20½
Hershey	33⅝	33½
Heublein	27⅞	27⅛
Hewlett Pkd	45⅞	42¾
Hilton Hotels	38½	38½
Hitachi	62	65⅞
Holiday Inns	25¼	25
Holly Sugar	33¼	33¼
Homestake	56⅜	55¼
Honeywell	80⅛	80⅜
Hoover	10½	10½
Hoover Univ	19⅜	19¼
Hormel Geo	16⅛	16⅛
Hospital Corp	38¾	37⅞
Household Intl	16	16⅛
Houston Inds	19¼	19⅛
Houston net Gas	41¾	41¾
HudsonBayMng	22	22
Hughes Tool	35	35⅛
Humana	53	53⅜
Husky (Oil)	12⅛	12¼
Hutton (EF)	33⅞	32½
IC Inds	32¼	31⅝
INA Corp	39¾	38⅞
IU Int	13	12¾
Ideal Basic Ind	23	22¾
Ideal Toy	5	4⅞
ICI ADR	5⅛	4⅞
Imp. Corp. Amer.	20⅛	18⅞
INCO	16¾	16⅝
Ingersol Rand	60⅝	60
Inland Steel	27⅛	26⅞
Intel	30	28¼
Interlake	37⅛	37⅝
InterNorth	30¾	30⅝
IBM	55⅝	54¾
Intl. Flavours	19	19¼
Intl. Harvester	10	9¾
Int.Income Prop.	8½	8½
Int. Paper	44	44
Int. Rectifier	12¾	12⅞
Int. Tel & Tel	26⅞	25⅞
Irving Bank	47¼	46⅝
James (FS)	27¼	29¾
Jeffn-Pilot	25¾	25¾
Jewel Cos	33⅛	33¾
Jim Walter	18¼	18
Johns Manville	16¼	16⅛
Johnson Contr.	26	26¾
Johnson & Jns.	31⅜	30
Johnthan Logan	9	8½
Joy Mnf	37⅞	37½
K. Mart	19⅛	19⅛
Kaiser Alum	19⅞	19⅝
Kaiser Steel	37⅞	37⅝
Kaneb Services	24	24¼
Kaufman Brd	12½	12⅜
Kay Corp	15	15
Kellogg	19⅛	19⅛
Kennametal	30¼	30¼
Kerr-McGee	70¾	70¾
Kidde	41¾	41¼
Kimberley-Clark	63⅛	62⅝
King's Dept. St.	6⅛	6
Knight Rdr. Nws.	32	32½
Koppers	18½	18½
Kroehler	8⅝	8¼
Kroger	21¾	21½
KTV	18	17⅝
Lanier Bus. Prod.	18	19¼
Lear-Siegler	32⅛	31½
Leaseway Trans.	28½	27⅞
Lenox	34	33½
Levi Strauss	36½	36¼
Levitz Furntr	39¾	40½
Libby Owens Fd.	27	26⅝
Lilly (Eli)	50⅜	49⅞
Lincoln Nat	37⅛	36⅞
Litton Inds	61⅝	62⅛
Lockheed	34	34
Loews	84¾	83½
Lone Star Inds	28⅛	28¼
Longs Drug Strs	30	30
Louisiana Land	31¾	32⅛
Louisiana Pac	20¼	20⅛
Lowenstein	25⅛	24½
Lubrizol	22¾	22¼
Lucky Strs	13	13
M/A Com. Inc	24½	24⅝
MCA	42¼	42
MacMillan	14⅜	14⅛
Macy	53¼	52⅝
Madison Fund	19½	19⅝
Mfcrs Hanover	33	31¾
Mapco	33¾	33
Marathon Oil	63	64⅛
Marine Mid	18⅛	17⅞
Marriott	33⅞	33⅞
Marsh McLenn	34⅝	34½
Marshall Field	14¼	14
Martin Mtta	51	50⅝
Maryland Cup	35⅝	34¾
Masco	33⅞	33⅞
Massey-Fergn	2½	2⅜
Mass Multi Corp.	16⅛	16
Mattel	7⅜	7⅜
May Dept Strs	25	25⅞
Maytag	26¾	26¼
McCulloch	14¼	14
McDa.mott (JR)	35½	34½
McDonald's	60¼	58⅛
McDonnell Doug.	30	29⅜
McDonough	44½	44½
McGraw Edison	41½	41
McGraw-Hill	46	45¾
McLean Trukg	8¾	8⅞
Mead	25	24⅝
Media Genl	32⅝	32½
Medtronic	37	36⅛
Mellon Natl.	33	32¼
Melville	42	41½
Memorex	12⅝	12⅝
Mercantile Sts	48½	48
Merck	82½	81⅝
Meredith	65	63
Merrill Lynch	33¾	33⅝

Stock	Sept. 11	Sept. 10
MGM	7⅜	7⅛
Metromedia	139¾	139¼
Milton Bradley	21⅛	21
Minnesota MM	49¾	48⅞
Missouri Pac	69½	70½
Mobil	28⅛	27⅛
Modern Merchg.	9⅜	8¾
Monasco	10⅜	10¼
Monarch M/T	20¼	20⅛
Monsanto	66¼	64¼
Moore McCmrk	28¼	27½
Morgan (JP)	54⅝	53½
Motorola	66¾	66¼
Munsingwear	14⅝	14⅝
Murphy (GC)	15⅜	15⅛
Murphy Oil	32½	31⅝
Nabisco Brands	25⅞	25¾
Nalco Chem	45	44
Napco Industries	18	18⅛
Nat. Can	21⅛	21
Nat. Detroit	24½	24½
Nat. Dist. Chem	23¾	22½
Nat. Gypsum	25¼	25¼
Nat. Medical Ent	18⅞	18½
Nat. Semicductr.	21⅜	20⅝
Nat. Service Ind.	24½	24⅜
Nat. Standard	15⅛	14⅞
Nat. Steel	24¾	24½
Natomas	25	26⅝
NCNB	14⅜	13⅝
NCR	51⅝	52¾
New England El	22	21¾
NY State E & G	14⅝	14¾
NY Times	29¼	29½
Newmont Mining	61¾	60
Niag. Mohawk	11⅝	11⅛
NICOR Inc.	34½	33¾
Nielsen (AC) A	37⅛	35⅝
NL Industries	39⅞	40
NLT	25½	25⅛
Norfolk & Westn	40¼	40⅛
Nth. Am. Coal	30½	30
Nth. Am./Philips	39⅛	39¼
Nthn. State Pwr.	23½	23¼
Northgate Exp	6¾	6½
Northrop	37⅜	37½
Nwest Airlines	28⅜	28½
Nwest Bancorp	26⅛	26
Nwest Inds	52¾	53⅝
Nwestn Mutual	9⅝	9½
Nwestd Steel W.	23⅞	22¾
Norton	43¼	42¼
Norton Simon	14¾	14½
Occidental Pet	26	25⅝
Ocean Drill Exp.	30	29¼
Ogden	31¼	31½
Ogilvy & Mrth.	27½	27½
Ohio Edison	12½	12⅛
Olin	22⅝	22⅜
Omark	18⅜	18⅞
Oneok	33	32
Outboard Marine	15¾	15½
Overseas Ship	19⅜	19
Owens-Corning	27¼	26¾
Owens-Illinois	28⅛	27⅝
PHH Group	19¾	19½
PPG Inds	43¼	43⅝
Pabst Brewing	16⅜	15⅞
Pac. Gas & Elect	22⅛	21¾
Pac. Lighting	27⅜	27⅝
Pac. Lumber	25¾	25⅝
Pac.Tel & Tel	16⅛	15⅝
Palm Beach	25⅛	24⅝
Pan Am Air	3½	3¼
Pan. Hand Pipe	35⅛	34⅜
Parker Drilling	22⅜	22½
Parker Hanfn	20½	20½
Peabody Intl	6¼	6¼
Penn Central	37⅝	37½
Penney (JC)	31½	31¼
Pennzoil	42⅞	43
Peoples Gas	43	42¾
Pepsico	33¼	32⅞
Perkin Elmer	23¾	23½
Petrie Stores	29¼	28½
Petrolane	17¼	16⅞
Pfizer	42¾	43⅛
Phelps Dodge	37⅝	37⅜
Phila. Elect	12⅞	12⅞
Phibro	31¼	30½
Philip Morris	46	45⅜
Phillips Pet	40¼	39¼
Pillsbury	37¼	36¾
Pioneer Corp	28	27⅞
Pitney-Bowes	25⅝	25¼
Pittston	26⅛	24
Planning Res'ch	5⅝	5⅝
Plessey	63⅛	63½
Polaroid	27	27½
Potlatch	35¾	35⅝
Prentice-Hall	22¼	22⅛
Procter Gamble	70	68¾
Pub. Serv. E & G	17¾	17⅝
Pub. S. Indiana	20¾	20¼
Purex	20⅞	21
Puralator	64⅜	64¼
Quaker Oats	33⅛	33⅝
Quanex	36½	36⅝
Questor	8⅞	8¾
RCA	19⅞	19⅞
Ralson Purina	12½	11⅞
Ramada Inns	6	6⅛
Rank Org. ADR	2¾	2¾
Raytheon	39⅞	39½
Reading Bates	34⅛	34
Redman Inds	11⅝	11⅝
Reeves Bros	41⅜	40⅞
Reichhold Chem	14	13⅝
Reliance Group	85	85½
Republic Steel	28¼	25⅝
Rep of Texas	39⅞	39⅞
Resch Cottrell	13⅛	13
Resort Intl A	16⅞	15¾
Revco (DS)	23½	22⅞
Revere Copper	17¼	17⅜
Revlon	35¾	35⅛
Rexnord	15⅝	15¼
Reynolds (RJ)	47⅛	46⅞
Reynolds Mtls.	30	29¼
Rite Aid	27¼	27¼
Roadway Exps	42	41¼
Robins (AH)	10⅜	10
Rochester Gas	12¾	12¾
Rockwell Intl	32¾	32
Rohm & Haas	58½	59½
Rollins	17⅛	16⅞
Rolm	30½	31
Roper Corp	13½	13¼
Rowan	16⅜	17
Royal Crown	13⅛	13
Royal Dutch	32⅛	31⅞
Rubbermaid	31¼	30½
Russel Styr	15⅛	15¼
Ryan Homes	17¼	17⅛
Ryder System	33⅝	33
SFN Companies	21	20½
SPS Technol'gies	27	26½
Sabine Corp	45	45¼
Safeco	35⅛	35
Safeway Stores	27	26⅝
St. Paul Cos	44⅝	44⅛
St. Regis Paper	32	31⅝
Sante Fe Inds	21½	21
Sante Fe Intl	26½	26⅝
Saul Invest	6¾	6¼
Saxon Inds	4¾	4¾
Schering Plough	30⅝	30⅛

Stock	Sept. 11	Sept. 10
Schlitz Brew J	14⅞	14⅞
Schlumberger	58	57½
SCM	25⅛	25
Scott Paper	16⅞	16⅝
Scudder Duo V	11½	11⅝
Seacon	20⅛	20½
Seagram	51⅞	51¼
Sealed Power	32½	32½
Searle (GD)	31½	31½
Sears Roebuck	17	16⅝
Security Pac	35¾	35⅛
Sedco	29¼	29⅝
Shell Oil	41¼	40⅞
Shell Trans	26¼	26½
Sherwin-Wms	18⅛	18
Signal	25⅞	25⅝
Signode	36⅞	36¼
Simplicity Patt	10	9½
Singer	15⅞	16⅛
Skyline	15	14½
Smith Intl	46⅛	46⅝
Smith Kline	66¼	66¾
Sonesta Intl	10	10
Sony	18¾	18¼
Southeast Bankg	17⅞	17¼
Sth.Cal.Edison	27¼	26⅝
Southern Co.	11¾	11½
Sthn Nat. Res	64⅛	64⅛
Sthn. N.Eng. Tel.	41¼	41⅜
Sthn. Pacific	44¼	44⅛
Sth. Railway	79¾	78⅝
Southland	29	28⅞
S W Bancshares	35¾	25½
Sperry Corp	35½	35¼
Spring Mills	21⅞	21¾
Square D	28½	28
Squibb	29¾	29½
Std Brands Paint	25½	25¼
Std Oil Cliforna	41⅝	41
Std Oil Indiana	54⅝	54⅝
Std Oil Ohio	43⅝	43⅝
Stanley Wks	16¾	16¾
Stauffer Chem	23	22⅝
Sterling Drug	21	21⅛
Stevens (JP)	13½	13
Stokely Van K	32⅜	31½
Storage Tech	31⅞	31¾
Sun Co	35⅛	34⅛
Sunbeam	20¾	19¾
Sundstrand	39	39
Superior Oil	33¾	34¼
Super Val Strs	16	15¾
Syntex	53⅝	52
TRW	53⅜	54
Taft	30	30
Tampax	30⅝	30⅝
Tandy	30⅛	30⅛
Teledyne	143⅜	145
Tektronix	48¾	47⅛
Tenneco	37⅛	36⅝
Tesoro Pet	17½	16⅝
Texaco	36⅝	35¾
Texas Comm. Bk	38½	37¼
Texas Eastern	49⅛	47¾
Texas Gas Trn	34½	33⅞
Texas Instr'm'ts	88¼	88¼
Texas Oil & Gas	35½	34¼
Texas Utilities	19½	18⅞
Texasgulf	55¼	55¼
Textron	27½	27¼
Thermo Electro	22¼	22⅜
Thomas Betts	56¾	57
Tidewater	40	38¾
Tiger Intl	17⅛	16⅛
Time Inc.	69	69¼
Times Mirror	48	47⅛
Timken	63½	63½
Tipperary	26¾	26⅛
Tonka	23	24
Total Pet	17¼	17⅜
Trane	22⅛	22
Transamerica	21¼	21⅞
Transway	22⅝	21¼
Trans World	18¾	19
Travelers	43⅞	42½
Tricentrol	8⅛	8⅝
Tri Continental	19⅞	19½
Triton Oil Gas	19⅞	20½
Tyler	20⅝	20¼
UAL	20	19½
UMC Inds	10¾	10½
Unilever N.V.	57¼	56
Union Camp	48	47½
Union Carbide	49¼	49¼
Union Oil Cal	37⅝	37⅝
Union Pacific	49⅝	49¼
Uniroyal	8⅜	8⅜
Untd Brands	11½	11⅞
Utd. Energy Res.	46¼	44⅜
US Fidelity G	41⅛	41⅝
US Gypsum	33⅜	33
US Home	19	18¾
US Inds	8⅞	8⅞
US Shoe	29⅜	28⅝
US Steel	29⅝	28⅞
US Surgical	23½	23½
US Tobacco	41½	40¾
US Trust	28¼	27¼
Utd. Technolgs	44⅛	43¼
Utd. Telecomms.	19⅝	19¾
Upjohn	52¾	53½
VF	36½	36⅞
Varian Assocs	25½	24⅞
Vernitron	13	12⅝
Virginia EP	11⅞	11⅝
Vulcan Matrls	47¼	46¾
Walker (H) Res	21⅛	21⅝
Wal-Mart Stores	34⅝	34⅝
Warnaco	23⅜	22¾
Warner Comms.	43¼	41¼
Warner-Lambt	19½	13⅛
Washington Post	28¼	29
Waste Mangt	33⅜	38½
Weis Mkts.	33¾	33½
Wells Fargo	26⅜	25⅝
W. Point Peppi	20½	20½
Western Airlines	7⅞	7⅞
Westn. Nth. Amr.	24⅞	24⅝
Westinghouse	27	26⅝
Westvace	23½	23⅜
Weyerhaeuser	30⅜	30½
Wheelabratr F	44⅝	44⅛
Wheeling Pitts	28⅛	27
Whirlpool	25¼	25
White Consoltd	28½	28¾
White Motor	—	—
Whittaker	35½	34¾
Wickes	13⅛	13¼
Williams Co	31	31¼
Winn-Dixie Str	32⅝	32⅛
Winnebago	3¾	3¾
Wisc Elec Power	25½	25⅛
Woolworth	20¼	19⅞
Wrigley	33⅝	33¾
Wyly	8¼	8¼
Xerox	48	47¼
Yellow Frt Sys	14⅞	18¾
Zapata	33¼	35
Zenith Radio	18⅛	13¼

Indices

NEW YORK —DOW JONES

	Sept. 11	Sept. 10	Sept. 9	Sept. 8	Sept. 4	Sept. 3	1981 High	1981 Low	Since Cm'pil't' High	Since Cm'pil't' Low
◆Indu str'ls	872.81	862.44	855.88	851.12	861.68	867.01	1024.05 (27/4)	851.12 (8/9)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me Bnds.	57.71	57.28	57.26	57.55	57.08	57.32	65.72 (15/1)	57.08 (4/9)	—	—
Transport.	358.40	357.27	356.88	351.55	359.66	363.11	447.38 (16/4)	351.55 (8/9)	447.38 (16/4/81)	12.23 (8/7/32)
Utilities	107.27	106.77	104.80	104.36	106.44	108.20	117.81 (5/1)	103.99 (5/8)	163.32 (20/4/69)	10.5 (28/4/42)
Trading Vol 000†	42,170	47,500	44,280	47,340	42,760	41,750	—	—	—	—

◆Day's high 875.46 low 857.21

	Aug. 28	Aug. 21	Aug. 14	Year ago (approx
Ind. div. yield %	6.20	6.01	5.90	5.59

STANDARD AND POORS

	Sept. 11	Sept. 10	Sept. 9	Sept. 8	Sept. 4	Sept. 3	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
Indust'ls	138.73	135.15	135.10	132.71	135.08	136.29	157.02 (6/1)	132.71 (8/9)	160.86 (28/11/80)	3.52 (30/6/32)
Composite	121.61	120.14	118.40	117.98	120.07	121.24	138.12 (6/1)	117.98 (8/9)	140.52 (28/11/80)	4.40 (1/6/32)

	Sept. 9	Sept. 2	Aug. 26	Year ago (approx
Ind. div. yield %	5.36	5.14	5.07	4.69
Ind. P/E Ratio	8.13	8.62	8.94	8.52
Long Gov. Bond yield	14.53	14.36	14.25	11.03

NY. S.E. ALL COMMON

Sept. 11	Sept. 10	Sept. 9	Sept. 8	1981 High	1981 Low
70.32	69.49	68.48	68.24	79.14 (6/1)	68.24 (8/9)

Rises and Falls	Sept. 11	Sept. 10	Sept. 9
Issues Traded	1,883	1,897	1,844
Rises	1,111	1,141	808
Falls	410	407	661
Unchanged	362	349	375
New Highs	2	3	1
New Lows	317	104	206

MONTREAL

	Sept. 11	Sept. 10	Sept. 9	Sept. 8	1981 High	1981 Low
Industrials	360.56	358.87	358.36	365.35	409.56 (27/5)	356.26 (20/2)
Combined	333.21	331.47	329.68	335.06	375.28 (15/6)	329.69 (9/9)
TORONTO Composite	2090.9	2067.3	2048.5	2072.1	2378.3 (10/4)	2048.5 (9/9)

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day
Texas Intl	568,700	27⅞	−⅞
IBM	548,000	55⅝	+1
N. West Inds.	537,800	52⅝	−⅜
General Elec.	518,100	54⅞	+1
Sears Roebuck	497,300	16⅞	+⅛
Comw. Edison	475,200	19⅝	−½
Exxon	473,800	33⅜	+⅜
Gen. Dynamics	438,600	25⅜	+1
Gen. Pub. Util.	427,900	5⅝	+⅜
ATT	416,300	56½	+½

	Sept. 14	Sept. 11	Sept. 10	Sept. 9	1981 High	1981 Low
AUSTRALIA All Ord. (1/1/80)	611.9	603.6	598.5	607.6	737.5 (6/4)	599.5 (10/9)
Metal & Minrls (1/1/80)	511.1	500.1	493.3	501.6	755.2 (7/1)	493.3 (10/9)
AUSTRIA Credit Aktien (2/1/62)	55.49	55.59	55.53	55.78	66.45 (5/1)	54.0 (21/8)
BELGIUM Belgian SE (31/12/63)	72.81	72.87	73.01	72.95	86.15 (17/2)	69.55 (18/8)
DENMARK Copenhagen SE (1/1/73)	112.56	113.55	114.08	113.78	119.00 (25/8)	96.88 (2/1)
FRANCE CAC General (29/12/61)	98.6	—	98.0	96.4	112.5 (17/8)	77.3 (15/8)
Ind Tendance (31/12/80)	108.8	108.7	108.3	(u)	109.3 (10/9)	79.2 (12/6)
GERMANY FAZ-Aktien (31/12/58)	231.84	230.25	230.07	228.90	243.47 (3/7)	216.88 (9/2)
Commerzbank (Dec 1953)	709.7	705.9	705.7	700.1	749.0 (3/7)	666.4 (16/2)
HOLLAND ANP-CBS General (1970)	90.2	89.7	89.1	88.5	96.8 (20/8)	85.7 (2/1)
ANP-CBS Indust (1970)	70.2	69.9	69.4	69.0	76.4 (22/8)	62.8 (2/1)
HONG KONG Hang Seng Bank (31/7/64)	(c)	1535.85	1515.88	1519.48	1810.20 (17/7)	1285.44 (11/8)
ITALY Banca Comm Ital (1972)	199.88	206.66	208.28	213.81	292.85 (5/6)	158.44 (24/7)
Japan Dow Average (16/5/49)	7542.82	7543.4	7563.27	7629.17	8019.14 (17/8)	6958.52 (13/5)
Tokyo New SE (4/1/68)	565.40	568.33	570.13	573.01	605.92 (17/8)	495.79 (5/1)
NORWAY Oslow SE (1/1/72)	136.52	138.87	138.52	135.20	146.72 (8/8)	110.54 (5/6)
SINGAPORE Straits Times (1966)	625.79	631.18	645.60	644.48	373.26 (26/8)	616.26 (1/8)
SOUTH AFRICA Gold 1958)	(u)	686.8	681.0	684.8	797.5 (7/1)	473.6 (3/7)
Industrial (1958)	(u)	677.6	674.8	669.3	874.8 (10/9)	537.2 (3/2)
SPAIN Madrid SE (30/12/80)	(c)	145.18	145.56	146.13	146.13 (8/9)	100.49 (2/1)
SWEDEN Jacobson & P. (1/1/58)	682.15	667.20	646.66	647.05	660.31 (10/8)	404.17 (20/1)
SWITZERLAND SwissBankCpn. (31/12/58)	(c)	265.4	262.6	265.7	304.2 (2/4)	262.5 (9/9)
WORLD Capital Intl. (1/1/70)	—	144.2	142.0	142.3	162.3 (8/8)	142.0 (9/9)

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

Early Wall St retreat of 7.3

REFLECTING INVESTOR disappointment over President Reagan's plan to trim $13bn from defence spending, Wall Street retreated yesterday morning in moderate activity following the recent rally.

The Dow Jones Industrial Average receded 7.32 to 865.49 at 1 pm, while the NYSE All Common Index lost 60 cents at $69.72. Declines led gains by an eight-to-five ratio after volume reduced to 25.03m shares from last Friday's 1pm level of 30.03m.

Larry Wachtel, of Bache Halsey Stuart Shields, said the smaller-than-expected cuts in military spending have "clouded the credibility of the Administration" in its attempt to balance the Budget.

Analysts said investors are concerned that the large Budget deficit will lead to heavy Federal borrowing, which will put further pressure on interest rates to remain high.

After dropping for five weeks, the Dow Jones Average gained some 21 points in the past three business days, but most analysts said the gains were strictly technical.

Oil stocks were generally lower, Atlantic Richfield shed $1 to $43⅛, Standard Indiana 1¼ to $53⅛, Superior $1 to $32¼ and Coastal 3¼ to $43⅛.

General Motors lost ⅛ to $45⅞ in active trading. It would not comment on a trade journal report that its new "P" car was delayed in order to conserve capital.

THE AMERICAN SE Market Value Index dipped 3.00 to 328.05 at 1 pm on volume of 2.44m shares (3.12m).

Canada

Markets in Canada also reverted to a downward course in active early dealings, with the Toronto Composite index registering a fall of 16.7 at 2,074.2 at mid-session. Real Estate and Construction lost 333.7 to 6,620.7, Golds 52.0 to 4,141.6 and Oil and Gas 44.2 to 4,378.4.

Tokyo

After falling further in Saturday's half-day session, the market showed some recovery yesterday on selective bargain hunting concentrated in Blue Chips and a number of speculative issues. However, trading was very thin ahead of a holiday in Japan today.

The Nikkei-Dow Jones Average, having fallen 124 points in the past three business days, regained 37.77 at 7,542.82. The Tokyo SE index picked up 1.60 to 565.40, after a three-session retreat of 9.21. Trading volume was only 130m shares, compared with last Friday's 300m.

Pharmaceuticals were in good demand, with Tanabe rising Y33 to Y808, Yamanouchi Y40 to Y1,310, Taisho Y23 to Y636 and Daiichi Y50 to Y922.

Motors and Precision Instruments also advanced strongly, Nissan Motor putting on Y21 to Y1,020, Honda Y15 to Y970, Toyota Y20 to Y1,310, Fuji Photo Film Y50 to Y1,430, Olympus Y40 to Y1,400 and Canon Y30 to Y1,440.

Optical Fibre, Industrial Robot, Machine Tool and Oil issues were also favoured.

Toshiba Machine moved ahead Y25 to Y650, Yasukawa Electric Y16 to Y600, Sumitomo Electric Y14 to Y525, and Teikoku Oil Y22 to Y833. TDK Electronics climbed Y150 to Y4,160 and Matsushita Electric Y50 to Y1,450 in mixed high-priced Light Electricals.

Heavy Electric Machines, Steels and Shipbuildings tended to ease, but Hitachi gained Y9 at Y719 after wide fluctuations. Sumitomo Metal lost Y4 to Y290, Mitsui Shipbuilding Y3 to Y237 and Mitsubishi Electric Y6 to Y374. Commenting on the lower Steels sector, a broker said that results for the period ending in September are not expected to be particularly good.

Germany

Bourse prices closed mixed to firmer after slack trading, with the Commerzbank index improving 3.9 to 709.7. Dealers reported a lack of foreign interest and stated that local buying dwindled after the morning session.

Motors attracted some support on speculation that business for the West German motor industry may pick up following the Frankfurt motor show which opens on Thursday.

Daimler rose DM 5 to DM 343.50 and BMW DM 1.50 to DM 192.50, but Volkswagen, on unconfirmed Press reports of a second-quarter loss, receded DM 1.20 to DM 137.30.

In Chemicals, Degussa featured with a rise of DM 5.50 to DM 273.000 following recommendations by Bourse newsletters.

The Domestic Bond market moved ahead strongly for the third day running, recording price gains averaging 60 pfennigs in public authority issues. Dealers reported lively demand from home and abroad, fuelled by the D-mark's rise against the U.S. dollar, with the Bundesbank selling an unusually large amount of paper totalling around DM 130m.

Australia

Hopes of a decline in U.S. interest rates spurred the market into a fresh rally yesterday, with dealers noting a return of overseas buyers.

After recovering 4.1 last Friday from its 15-month low, the Australian All Ordinaries index recouped 8.3 more to 611.9. The Metals and Minerals index picked up 11.0 to 511.1 and Oil and Gas 16.0 to 683.2.

Gold Mines issues posted some of the strongest gains in the wake of higher world Bullion prices. GMK rose 80 cents to A$8.80, Central Norseman 40 cents to A$8.60, Poseidon 35 cents to A$4.30, Bougainville 8 cents to A$1.70 and Emperor 10 cents to A$2.10.

Elsewhere in Minings, Pancontinental put on 23 cents to A$2.68 and MIM 13 cents to A$4.05.

Renewed enthusiasm for Canning Basin Oil heavyweight Western Mining pushed the stock 22 cents ahead to A$5.20. Other Canning Basin issues to gain ground were Alliance Oil up 6 cents to A$1.58, Santos, 26 higher at A$5.40, and Vamgas, 80 cents stronger at A$11.00.

Major oil producer BHP moved ahead 30 cents to A$12.20, while Hartogen Energy climbed 50 cents to A$6.30.

Singapore

Shares mainly drifted lower in trading becalmed by immediate delivery rules, although some recent speculative features rallied during the afternoon. The Singapore Straits Times Industrial index shed 5.39 more to 625.79.

The market is undergoing "a cleansing process," a broker said. The Stock Exchange ordered immediate delivery of scrip in what was seen by market observers as an effort to curb short selling that is said to have driven prices sharply lower in recent weeks.

In the meantime, "there's no real money coming in" from overseas investors, the broker added. He expects the market to move generally sideways, but with the index perhaps falling as low as 550, before renewed buying interest turns prices upwards.

Among speculatives, MUI, after falling to S$8.55, rebounded to S$9.35, up 15 cents on the day. Singapore Land ended a net cents firmer at S$10.70, while Selangor Properties, weak most of the session, recovered on late window dressing to finish only 10 cents off on balance at S$6.50.

Johannesburg

Gold shares gained ground in fairly active two-way local and overseas trading, responding to the Bullion price improvement.

Hong Kong

The market was closed yesterday for a public holiday.

Closing prices for North America were not available for this edition.

CANADA

Stock	Sept. 11	Sept. 10
AMCC Intl	21½	21⅝
Abitibi	21½	21¾
Agnico Eagle	11	11⅛
Alcan Alumin	30¾	30⅛
Algoma Steel	45	45
Asbestos	38	38¼
Bk. Montreal	25¾	25⅝
Bk.Nova Scotia	24½	24⅛
Basic Resources	7⅜	7⅞
Bell Canada	17⅝	17½
Bow Valley	19¼	18¾
BP Canada	46¾	47
Brascan A	29⅛	29
Brinco	6¾	7¼
B. C. Forest	16	16
CadillacFairview	14	12½
Camflo Mines	26	26
Can Cement	12	12
Can NW Lands	34	34
Can Packers	31½	31½
Can Trusco	29	29
Can Imp Bank	28⅝	28⅜
Cdn Inds	32	31¾
Cdn Pacific	44⅛	43½
Can P. Ent	21	20½
Cdn Tire	28½	28½
Cherokee Res	7⅛	7⅛
Chieftain	23	23
Cominco	57	56
Cons Bathst A	23¼	22⅝
Coseka Res	14	14¾
Costain	10¼	9¾
Daon Devel	7	6¾
Denison Mines	35	34⅞
Dome Mines	29	28⅝
Dome Petroleum	19	18⅝
Dom Foundries A	39⅝	39⅛
Dom Stores	18⅞	17⅛
Domtar	24¾	24¼
FalconNickel	86	86
Genstar	26	25¼
Gt.-West Life	2,50	2,50
Gulf Canada	24¼	24⅝
Gulfstream Res	7	7
Hawk Sid. Can	14⅝	14¼
Hollinger Argus	28	28
Hudson Bay Mng	26½	26⅛
Hudson's Bay	25	24½
do. Oil & Gas	44⅛	44
Husky Oil	14½	14¾
JAC	8⅝	8½
Imasco	32⅝	30½
Imp Oil A	32	31⅝
Inco	20¼	20⅛
Indal	14¾	14¾
Inter. Pipe	13⅞	13½
Mac Bloedel	31	31¾
Marks & Spencer	9¾	9¾
Massey Ferg	2.95	2.95
McIntyre Mines	50	48½
Merland Explor	11	10⅞
Mitel Corp	32⅝	30½
Moore Corp	37¾	37¾
Nat. Sea Prods A	10⅞	10⅞
Noranda Mines	26	25¾
Nthn. Telecom	45	44¼
Oakwood Pet	24¼	23¾
Pacific Copper	2.97	2.98
Pan can Petrol	81	80
Patino	73½	73½
Placer Dev	17⅛	17⅛
Power Corp.	18	17¾
Quebec Strgn	4.10	4.10
Ranger Oil	12¾	12⅝
Reed Stenhs A	9½	9½
Rio Algom	35⅝	35¼
Royal Bank	27½	26¾
RoyalTrustco A	17½	17⅛
Sceptre Res	12¾	12⅝
Seagram	62¼	62½
Shell can Oil	23¼	23¼
Steel of Can A	33¾	33¼
Teck B	13½	13¼
Texaco Canada	35	34½
Thomson News A	19⅛	19
Toronto Dom Bk.	27¾	26¾
TransCan Pipe	21⅜	20¾
Trans Mntn. Oil A	9¾	9⅝
Utd. Sisco Mines	11	10¾
Walker (H) Res	25⅛	26
Warrior Res.	3.60	36.0
Westcoat Trans.	11¾	11⅝
Weston (Geo)	34¾	34¾

AUSTRIA

Sept. 14	Price %	+ or −
Creditanstalt	326	......
Landerbank	286	......
Perimooser	257	+3
Semperit	96	+1
Steyr Daimler	185	−3
Veitscher Mag	203	+2

BELGIUM/LUXEMBOURG

Sept. 14	Price Frs.	+ or −
ARBED	1,070	+8
Banq Int A Lux	3,800	......
Bekaert B	1,120	......
Ciment CBR	990	−8
Cockerill	156	+6
EBES	1,158	−32
Electrobel	2,615	−45
Fabrique Nat	2,010	−15
G.B. Inno	1,910	......
GBL (Brux L)	1,122	+2
Gevaert	1,398	+8
Hoboken	2,230	−5
Intercom	914	−10
Kredietbank	4,040	−40
Pan Hldgs	5,650	−50

BELGIUM (continued)

Sept. 14	Price Frs.	+ or −
Petrofina	4,210	−20
Royale Belge	3,930	......
Soc Gen Banq.	1,585	+5
Soc Gen Belge	880	......
Sofina	2,445	−5
Solvay	1,850	−60
Traction Elect	1,550	−15
UCB	1,108	......
Union Miniere	614	+4
Vieille Mont.	1,360	−4

DENMARK

Sept. 14	Price %	+ or −
Andelsbanken	115.2	......
Baltica Skand	350	−1
CopHandelsbank	121.6	......
D. Sukkerfab	375	−3.4
Danske Bank	121.4	......
East Asiatic	159.2	−2
Forenede Brygg.	478	−6
Forenede Damp.	281	−5
GNT Hldg	214.4	......
Jyske Bank	164.4	......
Nord Kabel	140	−1
Novo Ind	1,265	+55
Papirfabrikker	100	......
Privatbanken	124.4	......
Provnsbanken	120	......
Smidth (Fl)	240	−0.4
S. Berendsen	425	......
Superfos	149	−3

FRANCE

Sept 14	Price Frs.	+ or −
Emprunt 4½% 1973	2,552	+27
Emprunt 7% 1973	6,125	+44
CNE 3%	3,161	−4
Afrique Occid	627	−2
Air Liquide	498	−14
Aquitaine	821	−9
Au Printemps	123.1	+1.1
BIC	575	−5
Banq' Rothschild	108.5§	......
Bouygues	935	+1
BSN Gervais	1,159	−4
Carrefour	1,755	−10
Club Mediter	523	−9
CGE	286.5§	......
CSF (Thomson)	281	−1
Cie Bancaire	190	−7
Cie Gen Eaux	304.1	−2.9
Cofimeg	125.1	+0.1
CCF	144.8§	......
Creusot Loire	50	+0.5
CFP	126	+3
DNEL	34.1	−0.2
Dumez	1,334	−5
Gen.-Occidental	500	+5
Imetal	116.2	−3.2
Lafarge	304	+3
L'Oreal	800	−9
Legrand	1,449	−51
Machines Bull	38.8	−1.1
Matra	1,215	......
Michelin B	850	−4
Moet-Hennesey	634	......
Moulinex	58	+0.7
Paribas	195.5§	......
Pechiney	80.5	......
Pernod Ricard	316	−6.5
Perrier	178	−1.9
Peugeot-S.A	159.8	+2.3
Poclain	178	+0.2
Radiotech	255	+1
Redoute	806	......
Rhone-Poulenc	80.6§	......
Roussel-Uclaf	220.5	+0.5
St. Gobain	108§	......
Skis Rossignol	488	−1
Suez	268§	......
Telemech Elect	945	−30
Thomson Brandt	190§	......
Valeo	229	+1

GERMANY

Sept. 14	Price Dm.	+ or −
AEG-Telef	55.8	+0.8
Allianz Vers	449.5	+0.5
BASF	142.6	+0.3
BAYER	127.8	+0.1
Bayer-Hypo	176	......
Bayer-Verein	270	+3
BHF-Bank	190	+5
BMW	192.5	+0.8
Brown Boveri	252.5	+0.8
Commerzbank	135	+1.5
Conti Gummi	49	−0.8
Daimler Benz	343.5	+5
Degussa	273	+5.5
Demag	137.5	−0.5
D'sche Dabcock	204	+4
Deutsche Bank	276.5	+2.5
DU Schult	146	−2
Dresdner Bank	142.5	+2
Dyck Zement	180	......
GHH	225.8	+2
Hapag Lloyd	54.5	......
Hoechst	126	......
Hoesch	21.3	+0.7
Holzmann (P)	395	......
Horton	135	+1
Kali und Salz	235	−1
Karstadt	212.2	+2.2
Kaufhof	155	+2.5
KHD	205.9	+1.1
Kloeckner	45.6	−0.5
Krupp	55	......
Linde	333	+1
Lufthansa	59	+1.8
MAN	206	−1
Mannesmann	152.8	+1.3
Mercedes Hlg	310	+0.2
Metallgesell	286.5	......
Muench Ruck	640	......
Preussag	204.9	−1.5
Rhein West Elect	166	−1
Rosenthal	335	−1
Schering	296.8	+0.8
Siemen	228.7	+1.8
Thyssen	62.1	+0.1
Varta	194.5	......
Veba	129.5	+0.3
Verein-West	270	......
Volkswagen	137.3	−1.2

HOLLAND

Sept. 14	Price Fls.	+ or −
ACF Holding	79	+0.5
Ahold	63.1	−3.2
AKZO	24.1	+0.6
ABN	295	+2.5
AMEV	92	+0.5
AMRO	54.2	+0.7
Bredero Cert	190.5	+1.5
Bos Kalis	72.3	......
Buhrmann-Tet	45.5	−0.1
Caland Hldgs	38.4	+1.1
Elsevier NDU nv.	124	+3
Ennia	126.5	+1.5
Euroom Tst	77	......
Gist. Brocades	63.4	+0.2
Heineken	51	−0.1
Hoogovens	16.9	+0.4
Hunter Douglas	9.1	−0.1
Int-Muller	21	+1.2
KLM	100.5	+1
Naarde'n	27.5	+0.5
Nat Ned cert	113.7	+0.5
Ned Cred Cank	40.3	+0.3
Ned Mid Cank	159.5	+1.5
Ned Lloyd	151	......
Oce Grinten	100	−2
Ommeren (Van)	31.1	+0.1
Pakhoed	39.5	−4
Phillips	21.4	−0.1
Rijn-Scheide	42.8	+1.3
Robeco	227.5	......
Rodamco	117.7	−0.5
Rolinco	231	−1
Rorento	133	−0.5
Royal Dutch	82	−3
Slavenburg's	112	+4
Tokyo Pac Hg	230.5	−1.5
Unilever	150.5	+0.2
Viking Res	144.5	−1
Vmf Stork	39	−0.8
VNU	63.5	+0.5
Volker-Stevin	30.2	+0.8
West Utr Bank	86.5	+2.5

ITALY

Sept. 14	Price Lire	+ or −
Assicur Gen	134,800	−2,250
Banca Com'le	72,050	−5,985
Bastogi Fin	339	−11
Centrale	6,610	−290
Credito Varesino	9,110	−885
Fiat	1,610	−9
Finsider	40½	−1½
Invest	3,175	−35
Italcementi	36,500	−1,400
Italsider	110	−40
Montedison	170	−3.25
Olivetti	3,150	−31
Pirelli Co	2,900	−145
Pirelli Spa	1,611	−69
Snia Viscosa	721	−4
do. do. Priv	751	+50
Toro Assic.	41,400	−4,100
do. Pref	39,000	−2,700

NORWAY

Sept. 14	Price Kroner	+ or −
Bergens Bank	111	−0.5
Borregaard	121	−1.5
Creditbank	135	+2.5
Elkem	61	−4
Kosmos	490	......
Norsk Hydro	470	......
Storebrand	195	......

SWEDEN

Sept. 14	Price Kronor	+ or −
AGA	202	+8
Alfa-Laval	182	+12
ASEA	140	......
Astra	325	......
Atlas Copco	117	+9
Boliden	303	+17
Cellulosa	248	+28
Electrolux B	94.5	+1
Ericsson	186	+6
Esselte	179	......
Fagersta	108	+3
Fortia (Free)	514	......
Mo och Dom	170	+16
Saab-Skania	125	−6
Sandvik	214	+8
Skandia	495	......
Skan Enskilda	216	+1
SKF B	133	+5
St. Kopparberg	293	+28
Sven Handelsbn.	110	−2
Swedish Match	104	......
Volvo	144	+6

SWITZERLAND

Sept. 11	Price Frs.	+ or −
Alusuisse	905	+25
Brown Boveri	1,285	+15
Ciba-Geigy	1,115	+30
do (Part Certs)	875	+10
Credit Suisse	2,100	+35
Elektrowatt	2,320	+20
Fischer (Geo)	530	−10
Hoff-Roche PtCts	58,500	+750
Hoff-Roche 1/10	6,850	+100
Interfood	5,500	+25
Jelmoli	1,170	+20
Landis & Gyr	1,220	+40
Nestle	3,015	+20
Oer-Buhrlie	1,925	+50
Pirelli	218	+4
Sandoz (B)	4,175	+125
Sandoz (Pt Cts)	535	+5
Schindler (PtCts)	250	......
Swissair	655	+5
Swiss Bank	324	+6
Swiss Reinsce	6,450	−50
Swiss Volksbk	1,320	......
Union Bank	2,860	......
Winterthur	2,200	......
Zurich Ins	14,600	......

AUSTRALIA

Sept. 14	Price Aust. $	+ or −
ANZ Group	5.30	+0.12
Acrow Aust	1.20	......
Allstate Expl	0.95	+0.05
Ampol Pet	1.45	−0.03
Assoc. Pulp Pap	2.10	......
Audimco	0.16	......
Aust. Cons. Ind	1.85	......
Aust. Guarant	2.08	+0.03
Aust. Nat. Inds	3.15	+0.05
Aust. Paper	1.88	......
Bank NSW	2.88	−0.01
Blue Metal	1.72	+0.02
Bond Hldgs	2.64	−0.01
Boral	3.35	+0.05
Bl'ville Copper	1.70	+0.08
Brambles Inds	2.60	+0.05
Bridge Oil	6.00	+0.05
BHP	12.20	+0.3
Brunswick Oil	0.19	+0.02
CRA	3.65	+0.06
CSR	5.04	+0.09
Carlton & Utd	2.15	+0.15
Castlemaine Tys	2.80	......
Oluff Oil (Aust)	0.54	−0.01
Do. Opts	0.35	......
Cockburn Cemt	1.28	−0.01
Coles (G.J.)	2.30	......
Comalco	1.85	−0.05
Container	6.40	......
Costain	3.20	−0.10
Crusader Oil	5.70	......
Dunlop	1.02	+0.01
Elmer Smith GM	4.20	+0.20
Endeavour Res	0.42	......
Gen Prop Trust	1.68	+0.01
Hamersley	4.00	......
Hartogen Energy	6.30	+0.50
Hooker	1.20	......
ICI Aust	1.78	+0.03
Jennings	1.16	−0.05
Jimb'lana (50cFP)	0.60	+0.08
Jones (D)	1.65	......
Kia Ora Gold	0.22	......
Lennard Oil	0.52	......
MIM	4.05	+0.13
Meekatharra Ms	6.00	......
Meridian Oil	0.44	+0.01
Monarch Pet	0.21	......
Myer Emp.	1.90	+0.03
Nat. Bank	2.73	−0.01
News	2.55	......
Nicholas Int.	1.55	+0.05
North Bkn Hill	2.80	+0.02
Oakbridge	2.04	+0.04
Otter Expel	1.05	......
Pancon	2.68	+0.23
Pan Pacific	0.30	+0.01
Pioneer Co	1.87	+0.02
Queen Marg't G.	0.28	−0.01
Reckitt & Coln	2.28	−0.02
Santos	5.40	+0.26
Sleigh (HC)	1.25	+0.02
Southland M'n'g.	0.65	......
Spargos Expel	0.37	−0.03
Thos. Natwide	2.35	+0.01
Tooth	2.52	−0.05
UMAL Cons	2.55	−0.05
Valient Consdt	0.32	+0.01
Waltons	0.86	......
Western Mining	5.20	+0.22
Woodside Petrol	1.40	+0.01
Woolworths	1.73	−0.05
Wormald Intl	3.25	+0.05

HONG KONG

Sept. 11	Price H.K.$	+ or −
Cheung Kong	27.9	+0.6
Cosmo Prop.	2.85	......
Cross Harbour	9.15	......
Hang Seng Bank	129	......
HK Electric	5.65	+0.05
HK Kowloon Wh.	7.15	+0.15
HK Land	10.10	−0.2
HK Shanghai Bk.	15.2	......
HK Telephone	20.4	+0.3
Hutchison Wpa	18.3	+0.4
Jardine Math.	18.8	+0.3
New World Dev.	6.15	+0.15
O'seas Trust Bk.	5.80	+0.20
SHK Props.	15.10	+0.50
Swire Pac A	12.50	−0.50
Wheel'k Mard A.	6.65	+0.20
Wheel'k Maritl'e	6.8	......
World Int. Hldgs.	3.37	+0.07

JAPAN

Sept. 14	Price Yen	+ or −
Ajinomoto	810	+1
Amada	697	+16
Asahi Glass	590	......
Bridgestone	466	−1
Canon	1,440	+30
Citizen	385	+5
Daiei	616	......
DKBO	402	......
Dai Nippon Ptg	721	......
Daiwa House	522	+2
Daiwa Seiko	401	−10
Ebara	438	−1
Eisai	850	+20
Fuji Bank	401	......
Fuji Film	1,430	+50
Fujisawa	1,070	−30
Fujitsu Fanuc	5,870	......
Green Cross	1,660	+20
Hasegawa	555	......
Heiwa Rl East	541	+2
Hitachi	719	+9
Hitachi Koki	545	−3
Honda	970	+15
HouseFood	980	−10
Hoya	921	......
Itoh (C)	365	+1
Ito-Ham	408	−3
Ito-Yokado	1,030	+20
JACCS	541	−1
JAL	2,390	......
Jusco	653	......
Kajima	342	+1
Kao Soap	516	+1
Kashiyama	699	−1
Kikkoman	347	......
Kirin	413	+3
Kokuyo	1,040	−10
Komatsu	465	+5
Komatsu F'lft	559	+52
Konishroku	602	+5

JAPAN (continued)

Sept. 14	Price Yen	+ or −
Kubota	344	−2
Kumgaal	350	+10
Kyoto Ceramic	3,210	−40
Lion	392	−3
Maeda Cons	515	......
Makita	901	+1
Marubeni	330	+2
Marudai	625	......
Marui	750	......
Matsushita	1,450	+50
M'ta Elec Works	539	−1
M'bishi Bank	402	+1
M'bishi Corp	674	+11
M'bishi Elec	374	−6
M'bishi Rl East	410	......
MHI	302	−3
Mitsui Co	344	−4
Mitsui Rl Est	515	−5
Mitsukoshi	415	−3
NGK Insulators	409	+1
Nippon Denso	1,330	......
Nippon Gakki	710	......
Nippon Meat	375	......
Nippon Oil	944	+14
Nippon Shinpan	770	−10
Nippon Steel	225	−1
Nippon Suisan	230	+7
NTV	3,890	−10
Nissan Motor	1,020	+21
Nisshin Flour	340	−4
Nisshin Steel	215	+1
Nomura	600	−8
NYK	316	−2
Olympus	1,400	+40
Orient	1,340	......
Pioneer	3,720	−10
Renown	714	+1
Ricoh	810	+20
Sanyo Elect	580	+10
Sapporo	241	−1
Sekisui Prefab	635	−10
Sharp	795	−8
Shiseido	818	−7
Sony	4,310	......
Stanley	418	......
S'tomo Marine	278	+3
Taihei Dengyo	550	−10
Taisei Corp.	218	−2
Taisho Pharm	636	+23
Takeda	897	+5
TDK	4,160	+150
Teijin	260	−1
Teikoku Oil	833	+22
TBS	387	−2
Tokio Marine	484	−1
Tokyo Elect.Pwr.	820	+9
Tokyo Gas	109	+1
Tokyo Sanyo	531	+1
Tokyu Corp	208	−2
Toshiba	417	−1
TOTO	430	......
Toyo Seikan	420	−1
Toyota Motor	1,310	+20
Victor	3,450	−30
Wacoal	700	+4
Yamaha	698	−2
Yamazaki	518	−2
Yasuda Fire	291	......
Tokogawa Bdge.	545	−5

SINGAPORE

Sept. 14	Price $	+ or −
Boustead Bhd	4.6	−0.2
Cold Storage	3.48	−0.04
DBS	7.20	......
Fraser & Neave	4.94	......
Haw Par	3.28	−0.02
Inchcape Bhd	1.69	+0.03
Malay Banking	5.7	−0.25
Malay Brew	5.85	......
OCBC	9.05	−0.25
Sime Darby	3.32	−0.04
Straits Trdg	6.7	−0.1
UOB	4.32	−0.10

SOUTH AFRICA

Sept. 14	Price Rand	+ or −
Abercom	4.15	......
AE & CI	9.50	......
Anglo Am	18.45	+0.54
Anglo Am Gold	115	......
Anglo Am Prop	3.17	−0.03
Barlow Rand	10.2	+0.05
Buffels	54	+2
CNA Invest	6.3	......
Currie Finance	2.60	......
De Beers	8.87	+0.09
Driefontein	36	......
FS Geduld	55	+3
Gold Fields SA	92.5	−7.5
Highveld Steel	5.35	−0.05
Huletts	8.3	+0.1
Kloof	42.5	......
Nedbank	6.15	......
OK Bazaars	20.25	......
Protea Hldgs	3.45	−0.25
Rembrant	11.5	+0.5
Rennies	4.55	+0.05
Rust Plat	6.85	+0.1
Sage Hldgs	2.50	......
SA Brews	9.7	+0.1
Tiger Oats	19	−0.25
Unisec	3.27	......

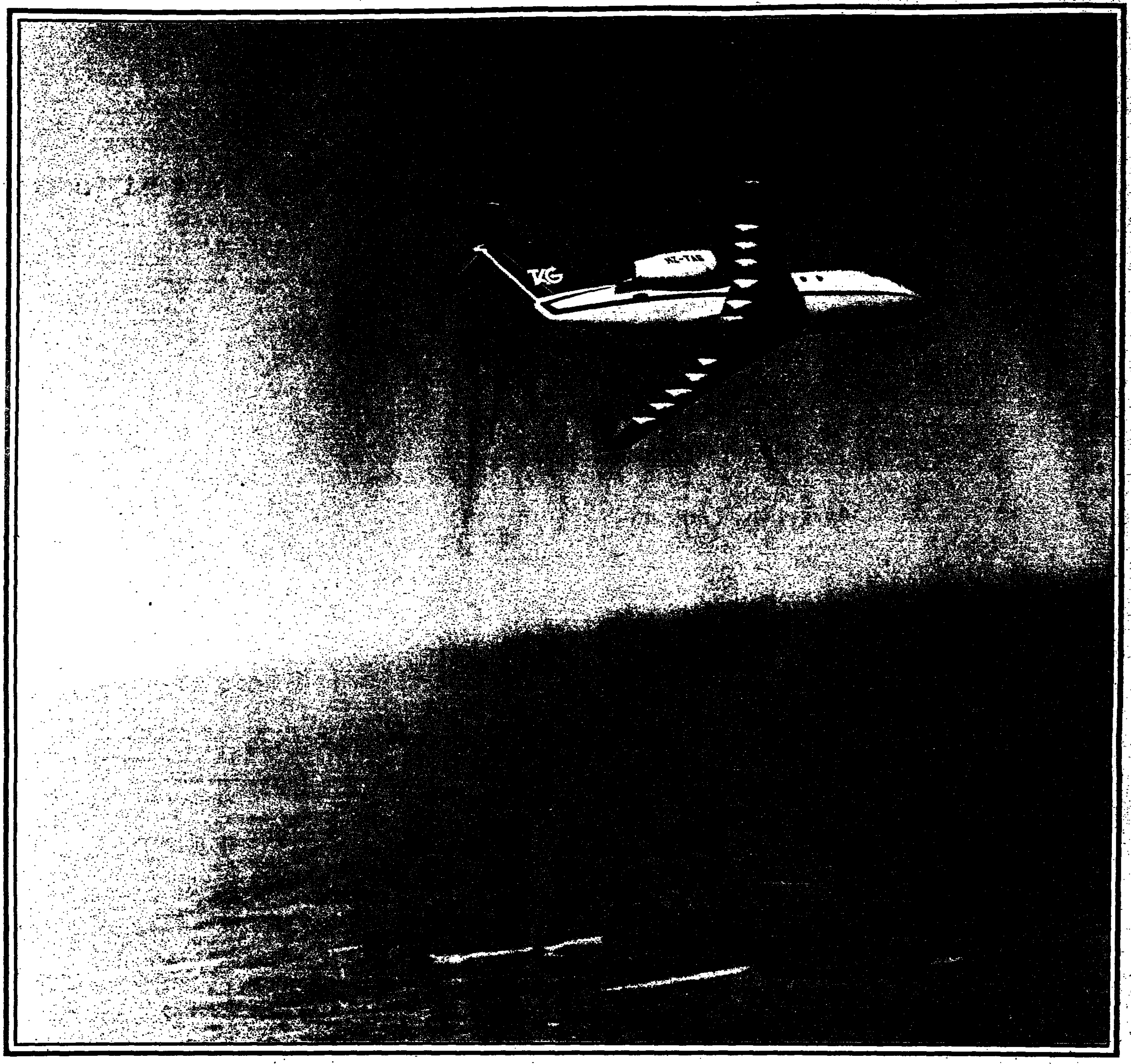
Financial Rand US$0.79½
(Discount of 24½%)

BRAZIL

Sept. 14	Price Cruz	+ or −
Acesita	1.10	......
Bando Brasil	6.15	−0.05
Banco Itau	1.55	......
Belgo. Min	3.28	+0.23
Lojas Amer	3.37	......
Petrobras PP	4.55	−0.02
Pirelli OP	1.20	......
Souza Cruz	8.49	+0.49
Unip PE	6.10	......
Vale Rio Doce	10.70	+0.05

Turnover Cr.1,316.3m. Vol. 306.1m.
Source: Rio de Janeiro SE.

NOTES:—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.


TAG

Nickel pay offer vote

By Our Commodities Staff

INTERNATIONAL Nickel workers at the company's Thompson, Manitoba, plant were voting yesterday to decide whether or not to accept the company's "final offer" on the terms of new labour contracts.

Existing three-year contracts expire today, but talks having been going on since July seeking to agree terms of new contracts, although the union has been pressing for them to last for only one year instead of three.

Inco, proposing terms for new three-year contracts to the 1,900 workers at Thompson, claimed the offer was the largest wage and benefit package ever offered to Inco workers anywhere. The wage of the average workers would be raised from $11.10 to $16.80 an hour by September 1984, assuming cost-of-living adjustments at the current 13 per cent inflation rate.

Reuter reported from Thompson that leaders of the union (the United Steelworkers of America) are recommending rejection of the offer.

The Thompson complex accounts for about a third of Inco's total production. Labour contracts at the Sudbury plant, the main production unit, do not expire until next summer.

Kenya coffee surplus tops 1m bags

NAIROBI—Kenya has a coffee surplus of more than 1m bags (60 kilos each), the Coffee Board said here yesterday.

Kenya exhausted its 1.16m bags export quota allocated by the International Coffee Organisation (ICO) last July. Its quota for the year ending in October was originally 1.3m bags but was cut by 140,000 bags during the year as part of an effort to curb falling prices.

The board said some of the surplus coffee would be sold in non-quota markets at much lower than prevailing market prices.

Coffee dealers are also buying some of the surplus to be delivered later as part of Kenya's export quota for the 1981-82 season.

Reuter

Strong advance in copper

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES advanced strongly on the London Metal Exchange yesterday. Although some of the earlier gains were shed in late trading, cash wirebars closed £15.25 up at £968.5 a tonne after ending the morning session at £979.5. The three months quotation for high-grade copper topped £1,000 in the morning before closing at £999.5 a tonne, £16.75 up on Friday's close.

Further reductions in U.S. interest rates, the rise in gold, a strike threat in Canada, and a hefty fall in Metal Exchange warehouse stocks all helped encourage buying interest in early trading. But profit-taking sales came in later as gold eased.

It was reported from Quebec that negotiations over the terms of new contracts for workers at Noranda's Horne copper smelter had been recessed and a strike vote may be taken shortly. The smelter has an annual production capacity of more than 200,000 tonnes.

London Metal Exchange warehouse stock figures issued yesterday showed that copper holdings fell last week by 2,700 tonnes to 111,750 tonnes. Zinc stocks were also down by 900 to 86,000 tonnes and lead by 600 to 43,650 tonnes.

However, tin stocks jumped by 710 tonnes to a record total of 13,600 tonnes. It is believed that the buffer stock of the International Tin Council has been selling tin steadily in recent weeks to help stabilise the market.

Over the weekend the Straits Tin price rose by 18 cents to a new peak of 35.35 Malaysian ringitts—only 12 cents below the Tin Agreement "ceiling" where the buffer stock is supposed to sell all the tin it holds.

The rise in stocks, and the selling by the buffer stock, has helped keep London values in check, but it is understood the bulk of LME stocks are held by influential dealers, currently controlling the market. A supply squeeze could develop in October if delivery is taken of forward purchases and the stocks taken off the market.

Rumours on Friday that the Malaysian Mining Corporation was planning to cut deliveries as a result of damage to potlines were discounted yesterday and prices ended barely changed.

Other metals also closed little changed after shedding early gains. Aluminium stocks in LME warehouses rose by 1,975 to 90,775 tonnes; nickel by 432 to 2,916 tonnes, and LME silver holdings increased by 200,000 to 28,800,000 ounces.

EEC delays sugar pact decision

BY JOHN WYLES IN BRUSSELS

EEC FOREIGN ministers yesterday shelved until next month a decision on whether the Community should start negotiations on joining the International Sugar Agreement.

Unsurprisingly, France emerged as having the strongest reservations, although her Minister for European Affairs, M André Chandernagor, did not challenge the view argued by the British and Dutch governments that the issue of ISA membership was a matter of great political importance.

Supported by the European Commission, they claimed that membership would strengthen the credibility of the Community's commitment to improving north-south relations. The ISA exists largely to stabilise world sugar prices in times of over-supply through implementation of international quotas.

However, a decision to negotiate would not be intended to imply any prior commitment by the EEC to join the ISA, but would seek instead to establish whether acceptable quotas for the Community's sugar exports could be secured.

The current agreement expires next year and the supporters of membership want the EEC hat to be in the ring when the International Sugar Council meets in November to consider the future of the arrangement.

It is suggested that the forecast size of the Community's export surplus over the next nine months—between 5m and 6m tonnes of sugar, compared to recent annual averages of 3m to 4m tonnes—could persuade the developing country members of the ISA to grant a favourable quota so as to remove some of the weight of this overhang on currently depressed world prices.

Membership could also give EEC governments a lever over their domestic producers, so as to cut back output and reduce surpluses.

Traditionally, France, a big sugar beet producer, has resisted any such moves. The question now is whether the high priority the new French Government attaches to better north-south relations will bring any important change of position by Paris.

Market rise continues

BY OUR COMMODITIES STAFF

LAST WEEK'S upturn in world sugar values continued yesterday with rumoured Russian buying remaining the main encouragement. The January position on the London futures market ended the day £11.75 higher at £174 a tonne.

Reports that hot dry weather had done more damage to the Soviet crop than had been thought earlier also influenced the rise, as did indications that the EEC was seriously examining the possibility of joining the International Sugar Agreement. The weakness of sterling was a background feature, dealers said.

But the upsurge probably owed more to the reaction against the recent steep decline, they added. This had left the market oversold and encouraged speculators to look for excuses to buy.

Latest reports in the Soviet Press refer to patchy growth and "negative effects" on sugar beet growth following hot, dry weather earlier this summer. Subsequent heavy rain has worsened matters by encouraging strong leaf growth, they add.

Prospects of bumper crops in Europe, including Russia, had been largely responsible for the sharp decline which wiped more than £60 a tonne off world sugar prices in late summer.

Legal threat to U.S. options plan

By Nancy Dunne in Washington

THE AMERICAN Stock Exchange last Friday threatened to sue the Commodities Futures Trading Commission to halt the commission's proposed commodities futures options programme. It has contended that the plan is discriminatory, contrary to the best interests of the public, and in excess of the commission's statutory authority.

Amex, which wants permission to sell options on gold and silver denominated notes, would not be included in the programme. Thus far the CFTC would only allow options on those commodities for which there exists an underlying futures contract. The commission has a plan for selling options on physicals under study, but it is unlikely that options on physicals could be traded by next spring when the futures option programme is expected to begin.

In any case, because of the jurisdictional dispute, it is not clear whether the CFTC or the Securities Exchange Commission (SEC) is the proper agency to approve Amex commodity options trading.

Amex contends that the proposed programme is anticompetitive because it excludes those exchanges which do not trade futures but do trade physicals.

The CFTC says the Amex suit is premature, and that a programme for physicals options will most likely be instituted as soon as possible.

Head of new fish authority named

By Our Commodities Staff

MR PHILIP RETTIE, chairman of William Low, the food retail chain, is to be chairman of the Sea Fish Industry Authority, which will take over the combined roles of the White Fish Authority (WFA) and the Herring Industry Board on October 1.

The appointment, announced by the Ministry of Agriculture and Fisheries yesterday, reflects the greater emphasis being placed on marketing in the Government's approach to the food producing industries.

Canada grain strike peace hope

BY VICTOR MACKIE IN OTTAWA

GRAIN SHOULD be soon flowing again through the eastern Canadian port of Thunder Bay after a tentative agreement reached at the weekend with striking grain handlers.

The agreement, to be ratified over the next two days, by the 1,600 grain workers, was reached after two days of talks directed by the federal government mediator, Mr William Kelly.

"There will be a ratification vote early this week and we will recommend acceptance," said Mr Frank Mazur, general chairman of the Canadian Lakehead Grain Handlers' Union.

Mr Mazur said the workers should resume work later this week. He refused along with company officials to reveal details about the tentative two-year contract. The grain workers' old contract expired on January 31.

The strike began on September 1 when picketing began at the Cargill Grain terminal and spread the next day to the other five companies closing down the Thunder Bay grain port, the largest in Canada.

The Canadian Wheat Board estimates the strike has cost farmers C$10m a day in lost sales.

Record harvest forecast

CANADA EXPECTS record wheat, barley, rye and maze crops this year, according to figures prepared by the agriculture statistics division of Statistics Canada.

Its report predicted a record all wheat output of 872.5m bushels, record barley output of 611.5m bushels, record rye output of 37.4m bushels and record maize output of 219.8m bushels. But 1981 rapeseed production will be the lowest since 1976, the report said.

Meanwhile in Brussels, the EEC cereals harvest was forecast at 119.5m tonnes this year, down some 5 per cent from last year's 125.4m, according to the EEC farmers' organisation COPA.

The forecast which was worked out in conjunction with the EEC Commission, predicted that France would produce 6 per cent less; Germany 5.7 per cent less, UK 3.5 per cent, Italy 2 per cent, Denmark 0.6 per cent, Greece 6 per cent, Belgium 8 per cent and the Netherlands 4 per cent.

Only Ireland and Luxembourg were expected to harvest more —4 per cent and 8 per cent respectively.

EEC cereals available for export in the 1981-82 season are expected to remain at around last year's levels of 13.5m tonnes of wheat and 4.7m tonnes of barley, COPA said.

Farmers in the U.S. are expected to harvest record crops of maize, wheat, and soyabeans this year, the U.S. Agriculture Department said.

In its latest crop production report, based on September 1 conditions, the USDA said the 1981 maize crop is now forecast at a record 7.984bn bushels, 3 per cent above the August estimate and 19 per cent above last year's drought-reduced crop.

Total wheat production is indicated at a record 2.75bn bushels, up fractionally from August and 16 per cent above the previous record crop produced last year, USDA said.

Soyabean output is forecast at 2.09bn bushels, up 4 per cent from the August estimate and 15 per cent more than last year.

The U.S. Agriculture Department forecast total world grain production in 1981-82 at a record 1,624m tonnes which is unchanged from its projection made in August, but up 4 per cent from the 1980-81 outturn.

In the latest crop report based on September 1 conditions, the department lowered its world wheat output estimate slightly but raised its world rice and oilseed forecasts.

USDA put world wheat production in 1981-82 at 451m tonnes, 2.5 per cent above the 1980-81 outturn.

The department lowered its estimate of Western Europe and Soviet wheat crops each by 2m tonnes from the August forecast. It also slightly reduced its projection of Eastern European wheat production.

Favourable weather boosted rice crop prospects in China and Indonesia, the department noted.

● India's winter crops including rice and coarse grains will fail to reach 1981/82 (June-July) targets because of the virtual disappearance of the monsoon from northern India, the Press Trust of India said.

Winter crop output is targeted to rise to 83m tonnes, including 58m tonnes of rice, in the current year from provisional official estimates of 80m tonnes total output, and 52m tonnes of rice last year.

Total foodgrain production, including summer crops, is planned to rise to 138.5m tonnes in 1981/82 season against 133m last year.

Reuter

Cotton crop prospects up

WASHINGTON — World cotton production in 1981-82 is estimated at a record 70.6m bales, up 1m bales from last month due to improved crop prospects in the U.S. and China, the U.S. Agriculture Department said.

Production at the expected level would be 5.3m bales above last season and the largest world cotton crop since 1953, USDA said in the world crop report.

U.S. cotton exports reached 5.6m bales in the 1980-81 (August-September) year, down 36 per cent from 1979-80 exports, the Department said.

In a foreign agricultural circular on cotton exports, USDA said in spite of the drop, cotton exports faired relatively well, in the face of adverse trading conditions. High U.S. cotton prices, due to a short crop, a stagnant world economy and high interest rates, were responsible for the decline.

The U.S. maintained its approximate 30 per cent share of the world cotton market during the year, while a larger percentage of U.S. cotton went to Asia than in previous years, USDA said.

U.S. cotton export activity is expected to improve in 1981-82, with prospects of a record cotton crop holding prices down, USDA said.

The department is currently forecasting U.S. 1981-82 cotton exports at 6.7m bales.

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES close well below the day's highs on the London Metal Exchange. COPPER advanced to £1010 in the morning, reflecting easier American interest rates, the initial rise in precious metals and the decline in sterling, which encouraged substantial short covering and chartist buying. The market came under sustained pressure in the afternoon, however, as a poor opening in New York prompted heavy profit-taking and pared three months to £999 at the close. Other metals traded in a similar pattern. LEAD closed at £457, after £470, ZINC at £555.5, after £569, ALUMINIUM at £685.5, NICKEL at £3282.5 and TIN at £8275.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	978.5-8.5	+24.2	968-9	+15.2
⊕ 3 mths	1009.5-10	+25.5	999-1000	+16.2
Settlem't	979.5	+25	—	—
Cathodes				
Cash	978.5-9	+26.2	966-8	+15
3 months	1004.5-5	+27.5	993-4	+16
Settlem't	979	+26	—	—
U.S. Prod	—		*82.5-9.25	—

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £978.5, higher grade three months £1002, 1, 2, 3, 4, 5, 6, 7, 6.5, 7, 6, 7, 8, 9, 9.5, 10, 9.5. Cathodes, cash £979. Standard, cathodes, three months £1002, 4.5. Kerb: Wirebars, three months £1009, 9.5, 10, 09.5. Afternoon: Wirebars, three months £998, 97, 98.5, 99, 99.5, 1000, 999.5. Standard, cathodes, three months £994. Kerb: Wirebars, higher grade, three months £997, 98.5, 97, 97.5, 98, 99, 1000, 999.5. Turnover: 23,175 tonnes.

Tin—Morning: Standard, cash £8180, three months £8330, 35, 30, 25. Afternoon: Standard, three months £8300, 8295, 85, 90. Kerb: Standard, three months £8280, 70, 80. Turnover: 2,390 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8170-80	—	8150-60	+10
3 months	8310-20	+30	8280-90	—
Settlem't	8180	—	—	—
Standard				
Cash	8310-80	—	8150-60	+10
3 months	8310-20	+30	8280-90	—
Settlem't	8180	—	—	—
Straits E.	‡$35.35	+0.18	—	—
New York	—	—		

Lead—Morning: Cash £461, three months £468, 69, 69.5, 70, 69, 68, 67. Kerb: Three months £466.5, 67, 66. Afternoon: Three months £464, 63, 62, 61, 60, 57, 55, 56, 57, 56.5, 57, 58, 57, 56.5, 57. Kerb: Three months £457, 56, 56.5, 57. Turnover: 15,700 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	460.5-1	+14¼	448-9	—1
3 months	466.5-7	+12¼	457-.5	—.5
Settlem't	461	+14	—	—
U.S. Spot	—	—	*42.4	—

Zinc—Morning: Cash £550; three months £569, 68, 67, 67.5, 67, 65.5, 65, 64.5, 64. Afternoon: Three months £561, 57, 58, 58, 58.5, 58, 56, 56.5, 57, 56, 55.5, 55, 54, 54.5, 55. Kerb: Three months £555, 55.5, 56. Turnover: 7,450 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	549-50	+9	541-2	—1
3 months	563-.5	+10	555-6	—
S'ment	550	+9	—	—
Primw'ts	—	—	*49.75-50	—

Aluminium—Morning: Three months £696, 97, 96, 95, 94, 93.5, 94, 95, 94.5, 93, 92, 91, 92, 91.5. Kerb: Three months £691.5. Afternoon: Three months £690, 89, 88, 87, 86, 87, 87.5, 87, 86, 85, 84, 83.5. Kerb: Three months £684, 85. Turnover: 13,500 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	665-6	+18	658-9	+8
3 months	691.5-2	+19.2	683-4	+6.75

Nickel—Morning: Three months £3310, 15. Kerb: Three months £3310. Afternoon: Three months £3300, 3290, 70, 80. Kerb: Three months £3295, 85. Turnover: 546 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	3230-40	+30	3205-10	—22.5
3 months	3310-5	+42.5	3280-90	—15

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close. ⊕ High grade cathodes deliverable from Sept 1.

SILVER

Silver was fixed 32p an ounce higher for spot delivery in the London bullion market yesterday at 633.05p. U.S. equivalents of the fixing levels were: spot $11.343, up 45c; three-month $11.711, up 48.2c; six-month $12.181, up 48.8c; and 12-month $13.052, up 46.1c. The metal opened at 623½-629p ($11.15-11.25) and closed at 615-620p ($11.00-11.10).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	633.05p	+32.8	612p	+1
3 months	653.00p	+33.5	631p	+1.25
6 months	673.00p	+33.7	—	—
12 months	710.00p	+32.1	—	—

LME—Turnover 198 (136) lots of 10,000 ozs. Morning: three months 651, 52, 55, 58, 55, 54, 55. Kerb: three months 654.5, 55. Afternoon: three months 635, 33, 32, 31, 31.5. Kerb: three months 631, 32, 33, 35, 36, 37, 36.

COCOA

COCOA	Yes'rday's Close	— +	Business Done
Sept	1245-55	+14.0	1250-40
Dec	1305-06	+14.0	1309-292
March	1324-26	+13.5	1327-12
May	1334-36	+14.0	1334-21
July	1340-41	+14.5	1340-30
Sept	1348-50	+14.0	1347
Dec	1356-58	+14.0	1355

Sales: 1,616 (1,799) lots of 10 tonnes.

ICCO—Daily price for Sept. 11: 104.58 (106.86): Indicator price for Sept. 14: 105.74 (106.26).

COFFEE

In a fairly active opening dealers, enthusiastic about the recent change in market sentiment, strove to push values through chart resistance levels, report Drexel Burnham Lambert. With Brazil's concern over lack of rain and good physical trading the impetus was maintained following New York opening as due. Dealers took quick profits and values fell quickly to the lows although volume was relatively poor.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Sept	970-72	+9.5	992-70
Nov	995-96	+8.0	1019-92
Jan	1005-07	+10.0	1026-03
March	1010-14	+7.0	1032-11
May	1020-24	+9.5	1039-20
July	1027-37	+22.5	1036-27
Sept	1040-48	+26.5	1030

Sales: 3,361 (3,829) lots of 5 tonnes.

ICO indicator prices for Sept 11: (U.S. cents per pound): Comp. Daily 106.88 (105.59): 20-day average 104.33 (104.74).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order, buyer, seller, busines. New Zealand cents per kilo. Oct 398 buyer, 394; Dec 397, 400, nil; Jan 398, 400, 395; March 407, 412, 407; May 417, 420, 418; Aug 427, 532, 428; Oct 434, 437, nil; Dec 435, 438, 435; Jan 438, 439, 437; March 443, 446, 444-443. Sales: 25.

BRADFORD—Wool tops were quoted unchanged. However, topmakers say tops are available at below quoted levels. Lack of business is making trade so competitive that prices are not reacting to currency trends.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kilo. Oct 497.0, 498.0, 497.5-496.0; Dec 508.5, 509.0, 509.0-506.0; March 520.5, 521.0, 521.5-519.0; May 531.0, 532.0, 531.0-527.1; July 535.0, 536.0, 535.0-534.0; Oct 533.0, 534.0, 534.0-531.0; Dec 535.0, 538.0, 535.0-533.0; March 541.0, 545.0, 540.0-538.0. Sales: 194.

GAS OIL FUTURES

A stronger Deutschemark pushed the market higher on the opening Lack of any real follow-through caused the market to ease off during the day, reports Premier Man.

Month	Yesterdys close	+ or —	Business Done
	$ U.S. per tonne		
September	302.50	+2.50	302.75-01.50
October	305.75	+0.25	307.75-05.75
November	309.65	+1.00	312.50-09.75
December	312.25	+0.75	314.50-12.00
January	314.75	+1.25	—
February	316.50	—	319.50-18.50
March	319.00	+0.50	319.00-18.50
April	319.50	—1.00	322.50-19.50
May	320.75	—1.25	—

Turnover: 801 (528) lots of 100 tonnes.

GRAINS

The market opened 10p up on all positions. Wheat drifted lower on lack of interest while barley made slight gains caused by exporter buying and short covering in September, Acli reports.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yesterday close	+ or —
Sep	106.50	—0.40	99.90	+0.40
Nov	108.45	—0.35	101.95	+0.25
Jan	112.25	—0.45	105.75	+0.25
Mar	115.85	—0.40	109.25	+0.25
May	119.40	—0.40	112.70	+0.30
July	122.90	—0.30	—	—

Business done—Wheat: Sept 107.20-106.50, Nov 108.80-108.40, Jan 112.70-112.25, Mar 116.10-115.90, May 119.80 only, July 123.25-123.10. Sales: 167 lots of 100 tonnes. Barley: Sept 100.20-99.70, Nov 107.00-101.80, Jan 105.80-105.60, Mar 109.25-109.05, May 112.60-112.45. Sales: 146 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2 14 per cent Oct 114.10, mid Oct-Nov 114.45, Nov 116, Dec 120. Trans shipment East Coast. English Feed for Sept 110.25, East Coast seller. Maize: French late Sept 128.75 trans shipment East Coast seller. Barley: English Feed fob Sept 104.50 seller East Coast, Oct 104 paid East Coast Scotland. Rest unquoted.

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 105.00, E. Mids. 107.00, N. East 110.00, Scotland 106.00. Feed barley: Eastern 96.00, E. Mids. 99.00, N. East 100.00, Scotland 98.00. The UK Monetary Coefficient for the week beginnig Monday September 21 (based on HGCA calculations using four day's exchange rates) is expected to change to 0.958.

RUBBER

The London physical market opened slightly steadier, conditions were very quiet throughout the day, and closed easier. Lewis and Peat reported a fob price for No. 1 RSS in Kuala Lumpur of 254.5 (256.0) cents a kg and SMR 20 203.0 (202.0).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
Oct	59.10-59.90	58.60-60.50	—
Nov	60.00-60.40	60.40-60.90	—
Oct-Dec	60.00-60.30	60.50-60.70	60.20-60.50
Jan-Mar	63.10-63.20	63.40-63.50	63.70-63.10
Apl-Jne	66.30-66.60	66.60-66.70	66.90-66.80
Jly-Sept	69.50-69.80	69.70-69.90	—
Oct-Dec	72.70-72.90	72.90-73.10	—
Jan-Mar	75.90-76.10	76.20-76.30	—
Apl-Jne	78.90-79.40	79.20-79.30	—

Sales 84 (319) lots of 15 tonnes; nil (nil) lots of 5 tonnes. Physical closing prices (buyers) were: Spot 58.25p (58.50p); Oct 56.50p (56.75p); Nov 57.50p (57.75p).

SOYABEAN MEAL

The market opened £1-1.50 lower on the bearish USDA crop figures, reports T. G. Roddick. Light trade buying during afternoon eased the losses.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
October	136.50-36.6	+0.20	136.50-35.50
December	135.00-35.2	—0.15	135.50-33.50
February	138.50-38.7	+0.05	138.50-37.00
April	136.50-40.5	—1.00	—
June	138.00-45.0	—0.50	—
August	138.00-46.0	—0.75	—
October	137.50-47.0	—0.75	—

Sales: 104 (74) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £169.00 (£162.00) a tonne cif Sept-Oct shipments. White sugar daily price £169.00 (£161.00).

Rumours that up to 2 million tons of C quota would be held as additional stock by the EEC to facilitate joining the ISA provoked a strong rally. As the formidable obstacles to such a course of action became increasingly apparent most of the gains were pared, reports C. Czarnikow.

No. 4 Contract	Yest'rdy's close	Previous close	Business done
	£ per tonne		
Oct	171.75-71.95	182.00-82.50	177.50-82.00
Jan	175.50-74.50	180.00-84.50	180.50-73.50
March	180.10-80.15	188.75-89.95	187.50-69.50
May	185.25-85.60	175.00-75.50	191.00-75.00
Aug	188.75-87.25	177.00-77.25	194.25-76.50
Oct	189.25-88.50	179.00-80.00	196.00-87.00
Jan	188.00-89.50	176.80-79.00	—

Sales: 10,065 (6,654) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £380.4 (same) a tonne fob for home trade and £277.5 (£270.0) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Sept 11: Daily price 11.54 (same); 15-day average 12.02 (12.18).

COTTON

LIVERPOOL—No spot or shipment sales were recorded, Activity was at an extremely low ebb, with an absence of demand in most quarters. Users tended to avoid commitments, as pressure from distributors was light.

JUTE

JUTE—Sept: c and f Dundee BWC £270, BWD £223, BTB £310, BTC £271, BTD £223; Antwerp BWC $600, BWD $417, BTB $570, BTC $503, BTD $422. C and f Dundee Sept 40 in 10 oz £11.18, 40 in 7.5 oz £8.74. B Twills £32.68.

POTATOES

LONDON POTATO FUTURES — The market was quiet, opening lower on all positions. Strength around midday lost impetus, with fresh selling at close knocking prices down to mid-range, reports Coley and Harper. Closing prices: Nov 78.80, —0.20 (high 79.40, low 77.50), Feb 96.00, +0.50 (high 97.00, low 95.00), April 111.50, —0.70 (high 112.60, low 111.00). Turnover: 321 (536) lots of 40 tonnes.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 75.6 to 79.4; Ulster hindquarters 91.5 to 94.0, forequarters 55.0 to 57.5; Eire hindquarters 92.0 to 95.5, forequarters 54.0 to 58.0. Veal: Dutch hinds and ends 126.0 to 130.0. Lamb: English small 60.0 to 67.6, medium 60.0 to 66.0, heavy 58.0 to 62.5; Imported Frozen—New Zealand PL 61.0 to 62.0. Pork: English, under 100 lb 40.7 to 50.0, 100-120 lb 42.5 to 48.2, 120-160 lb 38.0 to 48.0.

MEAT COMMISSION—Average fatstock prices at representative markets on September 14. GB—Cattle 87.11p per kg lw (—1.58). UK—Sheep 141.67p per kg est dcw (+7.87). GB—Pigs 68.27p per kg lw (+1.33).

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Oranges—Outspan: Valencia Lates 48 5.30, 56 6.20, 72 6.25, 88 5.55, 112 5.20, 138 5.15, 150 4.80; Brazilian: 113/64 4.60-5.20; Argentinian: 56/64 7.00, 72/88/100 7.40. Lemons—Spania: boxes 7.00-9.00, trays 25/50 3.00-4.50; Outspan: 80/195 7.50-11.00; Chilean: 80/160 9.00-11.00. Grapefruit—Outspan: 27 4.20, 32 4.85, 36 5.00, 40 5.30, 48 5.00, 56 4.40, 64 4.10, 72 3.30; Cuban: 36/40/48 5.00. Mandarines—Brazilian: 48/54 4.50, 64/75 5.00. Apples—French: new crop, Golden Delicious 20 lb 3.50-3.80, 40 lb 7.00-7.20, Stark Crimson 40 lb 7.50-8.00, Granny Smith 8.50. Pears—French: Per 28 lb Williams 3.50, Alexandrine 3.00; Italian: Per pound 0.14-0.18; Spanish: Per pound 0.14-0.18. Nectarines—Italian: Large trays A/C 6.00; U.S.: 64 12.00. Plums—Italian: 20 lb Stanley 4.50, President 4.80-5.00; Rumanian: Anna Spath 4.50; French: President 5.00; U.S.: 28 lb, per pound 0.45. Greengages—French: 9 kilos 2.80; Spanish: 11 lb 2.00-2.50. Grapes—Spanish: Alphonse Lavallee 11 lb 2.00-2.40; French: Alphonse 13 lb 2.50-2.60; Italian: Regina 2.00-2.30, Alphonse Lavalle 4.00-4.20, Italian 3.50-4.00. Melons—Spanish: 10 kilos yellow 2.60-3.20. Water-Melons — Hungarian: 13 kilos 3.00-3.50; Italian: 17 kilos 5.00-5.50; Greek: 4.00-5.00; Spanish: 3.0-3.50. Peaches—Italian: Large trays A/C 2.80-3.50; French: A/C 2.50-3.30. Pineapples—Ivory Coast: Each 0.35-1.10. Bananas—Colombian: Per pound 0.19. Avocados—U.S.: 20s 6.50; S. African: by air 3.50-4.50. Onions—Spanish: Grano 3/5 3.20-3.30. Capsicums—Dutch: 5 kilos red 3.40, green 3.80, yellow 6.00. Aubergines—Dutch: 5 lb 5.40. Cabbages—Dutch: White 2.50-3.00, red 3.00-3.50. Tomatoes—Dutch: 2.60-2.80. Chillies—Dutch: 3 kilos 3.00. Artichokes—French: Globe 24s 4.80.

English Produce: Potatoes—Per 55 lb white 2.20-2.70, red 2.40-2.75, King Edwards 2.60-3.20, jacket 3.50. Mushrooms—Per pound open 0.40-0.50, closed 0.60-0.70. Apples—Per pound Bramley 0.10-0.18, Grenadier 0.06-0.12, Lord Derby 0.09-0.12, Howgate 0.10-0.12, Discovery 0.14-0.22, Miller's Seedling 0.08-0.14, Worcester Tydeman 0.12-0.22, Cox's 0.25-0.30. Pears—Per pound Dr Jules Guyot 0.08-0.10, Williams 0.10-0.12, Conference 0.12-0.14. Cauliflowers—Per pound Lincoln 2.00-2.40. Cabbages—Per bag Primo 30 lb 1.00-1.40. Lettuce—Per 12 round 1.00-1.20, Cos 10/12 1.80-2.00, Webb's 1.60-1.80. Tomatoes—Per 12 lb D 2.20-2.40, E 2.00-2.20. Radishes—Per pack of 12 x 8 oz 1.50, bunches of 15 1.50. Onions—Per tray x 20 bunches, spring 2.40, 55 lb 40/60 mm 2.50-3.00. Celery—Per 18/28, winter crop 3.40-3.50. Cucumbers—Per 10/20 1.80-2.00. Carrots—Per 26/28 lb 0.80-1.20. Strawberries—Per ½ lb 0.25-0.50. Raspberries—Per ¼ lb 0.40-0.60. Plums—12 lb Damson 2.40-2.80, Bush 2.00-2.20, Giant 2.40-2.80, Pond's 3.80-4.20, Majorie's 3.60, Laxton Cropper 2.40-3.00. Beetroots—Per 28 lb 1.20-1.40. Marrows—Per box 1.00-1.20. Fennel—Per 10 lb 3.00. Parsnips—Per 28 lb 2.00-2.40. Stick Beans—Per pound 0.15-0.20. Swedes—Per net 1.30-1.40. Leeks—Per 10 lb 1.80-2.00. Courgettes—Per 12 lb 1.00-1.30. Blackberries—Per ½ lb 0.15-0.20.

*

GRIMSBY FISH — Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.00-£6.50, codlings £2.50-£4.00. Medium haddock £4.80, small £1.40-£2.40. Large plaice £5.40-£5.80, medium £4.80-£5.20, best small £3.70-£4.20. Skinned dogfish (large) £7.50, (medium) £6.00. Lemon soles (large) £10.50, (medium) £9.00. Rockfish £3.30. Reds £1.80-£2.20. Saithe £2.80-£3.20.

PRICE CHANGES

In tonnes unless otherwise stated.

	Sept. 14 1981	+ or —	Month ago
Metals			
Aluminium	£810/815	—	£810/815
Free Mkt	$1160/1216	—20	$1230/260
Copper			
Cash w'bar	£968.5	+15.25	£1015.5
3 mths	£999.5	+16.75	£1045.5
Cash Cathode	£967.0	+15	£1014
3 mths	£993.5	+16	£1038.25
Gold troy oz	$451	+1	$412
Lead Cash	£448.5	—1	£455.25
3 mths	£457.25	—0.5	£454.25
Nickel	£4106.25	—	£4,087.5
Free mkt	255/290c	—	275/285c
Platin'mt'y oz	£260	—	£260
Freemkt	£251.10	+0.20	£237.65
Quicksilver	$428/433	+3	$428/458
Silver troy oz	633.05p	+32.00	495.70p
3 mths	653.00p	+33.55	513.60p
Tin Cash	£8155	+10	£7745
3 mths	£8285.0	—	£7851
Tungsten 22.0 lb	$146.34	—	$144.57
Wolfrm 22.04 lbs	$144/148	—	$142/148
Zinc Cash	£541.5	—1	£519.5
3 mths	£555.5	—	£533.5
Producers	$1000	—	$925/1000
Oils			
Coconut (Phil)	$540w	—5	$560
Groundnut	‡	—	‡
Linseed Crude	£432	—	£450
Palm Malayan	$520y	—	$530
Seeds			
Copra Philip	$350	—5	$360
Soyabean (U.S.)	$276.5	—3	$289
Grains			
Barley Fut. Nov	£101.95	+0.25	£101.15
Maize	£126.75	—	£125.5
Wheat Fut. Nov	£108.45	—0.35	£107.95
No2 Hard Wint	‡	—	£123.00
Other commodities			
Cocoa ship't *	£1,416	+14	£1,263
Future Dec.	£1305.5	+14	£1,255.5
Coffee Ft' Nov.	£995.5	+8	£1,056
Cotton A.Index	77.40c	—0.1	81.55c
Gas Oil Oct.	$305.75	+0.25	$303.25
Rubber (kilo)	58.25p	—0.25	59.5p
Sugar (Raw)	£169w	+7	£210
Woolt'ps 64s kl.	396p kilo	—	400p kilo

‡ Unquoted. z Oct. y Nov. x Oct.-Nov. w Sept-Oct. † Per 76-lb flask. * Ghana cocoa. n Nominal.

AMERICAN MARKETS

NEW YORK, Sept 14.

The livestock complex finished mixed as profit taking continued and the market was awaiting the first of the three major Government reports in the next seven days. Sugar prices rallied on reports of additional damage to the Soviet beet crop. Coffee was mixed as Brazil was reported to be sold out after quota. Cotton was lower as next year's crop has come under pressure because of a larger crop estimate. Precious metals rallied smartly on the close as interest rates finally drifted lower, reported Heinold.

Copper—Sept 78.80-79.00 (77.70), Oct 80.00 (78.40), Nov 80.75, Dec 81.85-82.00, Jan 83.15, March 85.50-85.60, May 87.80, July 89.80, Sept 91.95, Dec 95.15, Jan 96.25, March 98.45, May 100.55, July 102.85.

*Gold—Sept 458.7 (453.3), Oct 463.0-455.0 (456.4), Nov 469.6, Dec 475.5-577.5, Feb 489.5-490.0, April 502.5, June 516.5, Aug 528.9, Oct 542.3, Dec 555.8, Feb 569.3, April 582.9, June 596.7.

*Platinum—Sept 458.3 (454.4), Oct 460.0-462.0 (458.4), Nov Nil, Jan 476.5-477.5, April 492.8, July 509.2, Oct 525.6.

Potatoes (round whites)—Nov 73.1-73.2 (75.3), Feb 84.5 (85.0), March 89.0, April 103.0-103.3. Sales: 809.

¶Silver—Sept 1130.0-1135.0 (1111.5), Oct 1141.0 (1121.0), Nov 1157.5, Dec 117.0-178.0, Jan 1190.0, March 1220.0-1226.0, May 1253.0, July 1284.0, Sept 1315.0, Dec 1361.5, Jan 1377.0, March 1408.0, May 1439.0, July 1470.0. Handy and Harman bullion spot: 1115.00 (1098.00).

Sugar—No. 11: Oct 11.87-11.90 (11.75), Jan 12.33-12.35 (12.03), March 12.93-12.98, May 13.25-13.30, July 13.50-13.56, Sept 13.72-13.75, Oct 13.75-13.80. Sales: 11,063.

Tin—659.00-675.00 (666.00-675.00).

CHICAGO, Sept 14.

Lard—Chicago loose 22.50 (same).

Live Cattle—Oct 68.30-68.35 (68.45), Dec 68.75-68.85 (68.82), Feb 66.80-66.75, April 66.45-66.50, June 66.90-66.95, Aug 66.70, Oct 65.40

Live Hogs—Oct 52.00-51.90 (52.30), Dec 54.45-54.40 (54.40), Feb 53.90-54.00, April 51.00-50.80, June 53.20, July 53.45, Aug 51.70, Oct 50.40, Dec 51.50.

‡‡Maize—Sept 277½-276¾ (276¼), Dec 296½-297¼ (293¼), March 316-316¾, May 327½, July 337-337¼, Sept 342-341½.

Pork Bellies—Feb 70.30-70.05 (69.82), March 70.30-70.20 (69.90), May 71.15, July 71.70, Aug 71.17-71.00.

†Soyabeans—Sept 666-667 (656½), Nov 670-672 (661½), Jan 694½-693, March 718½-717½, May 740½, July 758, Aug 762½, Sept 764, Nov 769.

‖Soyabean Meal—Sept 190.0 (188.9), Oct 189.8-189.5 (186.9), Dec 195.8-195.5, Jan 199.5, March 207.0-207.5, May 212.5, July 218.5-219.0, Aug 220.0-220.5, Sept 220.0-221.0.

Soyabean Oil — Sept 20.70-20.65, (20.45), Oct 20.85 (20.62), Dec 21.77-21.70, Jan 22.20, March 23.05, May 23.65, July 24.25, Aug 24.25-24.30, Sept 24.25-24.30.

†Wheat—Sept 405½ (400¾), Dec 431¼-432 (424¼), March 453½, May 459-459¾, July 458, Sept 468-468½.

WINNIPEG, September 14.

§Barley—Oct 128.80 (129.50), Dec 123.20 (122.00), March 126.90, May 131.40, July 134.30.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 241.59 (239.90).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

EUROPEAN MARKETS

ROTTERDAM, Sept 14

Wheat—(U.S. $ per tonne): U.S. Two Dark Hard Winter 13.5 per cent Oct 201, Nov 205, Dec 207. U.S. No. Two Red Winter Sept 174.50, Oct 180. U.S. No. Three Amber Durum Sept 190, Oct 190, Nov 198, Dec 206. U.S. No. Two Northern Spring 14 per cent Sept 191, Oct 189, Nov 192.50, Dec 201.

Maize—(U.S. $ per tonne): U.S. No. Three Corn Yellow afloat 145, Sept 130, Oct 130, Nov 131, Dec 135, Jan-March 144, April-June 146.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports Sept 270.50, Oct and Nov 259.50, Dec 265.50, Jan 272, Feb 278, March 283, April 288, May 292 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent protein U.S. afloat 250, Sept 237, Oct and Nov 234, Dec 239, Nov-March 243. Brazil Pellets afloat 252-247.50, Oct 246, Nov 251, Dec 253, Nov-March 260 sellers.

PARIS, Sept 14

Cocoa—(FFr per 100 kilos): Sept 1,235-1,300, Dec 1,330-1,340, March 1,350-1,370, May 1,365-1,390, July 1,405 asked, Sept 1,410 bid, Dec 1,425 bid. Sales at call: nil.

Sugar—(FFr per pound): Oct 1,690-1,715, Nov 1,675-1,705, Dec 1,720-1,723, March 1,840-1,845, May 1,895-1,907, July 1,890-1,920, Aug 1,925-1,965, Oct 1,935-1,975. Sales at call: 4.

INDICES

FINANCIAL TIMES

Sept 11	Sept. 10	Month ago	Year ago
260.60	261.10	269.42	282.15

(Base: July 1, 1952=100).

MOODY'S

Sep. 11	Sept. 10	Month ago	Year ago
1032.2	1033.0	1069.5	1336.6

(December 31, 1931=100)

DOW JONES

Dow Jones	Sep. 11	Sept. 10	Month ago	Year ago
Spot	348.03	349.28	375.12	477.12
Fut'res	368.83	368.60	383.01	498.04

(Average 1924-25-26=100)

REUTERS

Sep. 14	Sep. 11	M'nth ago	Year ago
1687.9	1670.9	1742.1	1769.1

(Base: September 18, 1931=100)

INTERNATIONAL COMPANIES and FINANCE

SALOMON LAUNCHES WORLD INDICES

Eurodollar FRNs yield most

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

A *MAJOR* new series of performance indices covering money and bond market trends in eight leading currencies has been launched by Salomon Brothers, the U.S. investment banking house.

The indices are designed to show total returns available in each of the markets concerned together with global market trends measured by Salomon's new World Bond Index and World Money Market Index.

According to Mr. Jeffrey Hanna, a senior Salomon Brothers analyst who led the *work of compiling the new* indices, one of the main objec*tives is to provide the investor* with a benchmark against which *to measure his own performance* in the markets.

The indices *will be published* monthly and Salomon Brothers has already *calculated them* retroactively as far back as 1978. The results show that between January 1978 and the end of last July, the best total return on world bond markets was provided by Eurodollar floating rate notes.

These offered a compound annual total return of 13.8 per cent. Total return is price change plus income plus reinvestment income plus, where applicable, changes in currency values.

As might be expected during a period marked by very high short-term interest rates, money market investments generally out-performed the bond market.

Salomon's World Money Market Index registered a total annual return of 9.7 per cent during the period under review. After all returns were calculated in U.S. dollar terms the total return was 6.7 per cent. This compares with a total return of only 1.7 per cent on world bond markets before adjustment for exchange rate changes and one of 0.8 per cent, if returns are recalculated in U.S. dollar terms.

The Salomon data also show clearly that currency movements play a leading role in *determining* the relative rates of total return available in individual markets.

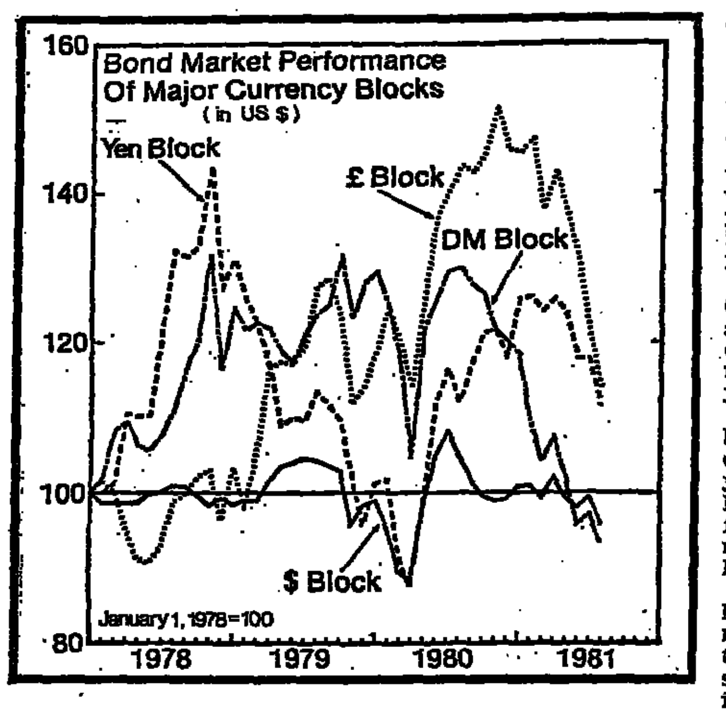
Measured in dollar terms the best return from national government bond markets in 1978 was in Swiss francs. In the following two yars the lead was taken by sterling, while the yen outperformed other sctors in the first seven months of this year.

The weakest currencies—Canadian dollar, yen, D-mark and French franc respectively—came out bottom of the *total* return table in each of the *years under review.*

The eight currencies coverd by the *indices* are the U.S. dollar, Canadian dollar, D-mark, yen, *sterling,* Swiss franc, Dutch guilder and French franc. Both domestic and Euro/money market instruments and bonds are covered.

In addition the World Bond Market Index is calculated on a market weighted basis reflecting the total par value of bonds outstanding in each market. This increases the impact of the U.S. dollar market on the index because of the volume of dollar-denominated securities.

There is an unweighted World Bond Market Index as well. The World Money Market Index is calculated only on an unweighted basis because data on relative market sizes is not available.



Foreign deal by Lynch Communications

By David Lascelles in New York

LYNCH COMMUNICATIONS, a Nevada-based telephone equipment company, said yesterday that an unnamed large foreign telecommunications company had agreed to take a minority stake in it. It did not identify the company, however, saying that the agreement is still subject to various authorisations and approvals which are expected to be resolved by the end of this month.

The agreement also provides *for co-operation between Lynch* and the foreign concern over their complementary product lines and markets.

Lynch, which had sales last year of about $40m, makes sophisticated equipment which upgrades the quality of message handling systems. But the market for its products has been weak recently, and the company has suffered a sharp drop in sales and profits.

Lynch's market capitalisation, based on its recent stock price, *is about $22-23m.*

Itel extension

Itel Corporation, the transport leasing company said it received court approval for a 60-day extension to file its reorganisation plan to restructure $1.3bn of liabilities, Reuter reports from San Francisco.

Itel *said none of its creditors* objected to the extension request. The company said it likely will seek an additional *extension or extensions before* filing the plan.

Gelco helped by exchange gain

BY OUR FINANCIAL STAFF

A FOREIGN exchange gain of $7.6m against a loss of *$1.1m* allowed Gelco Corporation, the U.S. leasing and fleet management *group*, to increase earnings for its final quarter, but profits for the year to July 31 were still lower at $50.9m against *$52m previously.*

Net profits for the quarter came out at $14.7m after inclusion of the exchange gain, compared with $12m last time. At the per share level profits were $1.42 against $1.03 and revenues were $232.5m against $188.9m.

For the year earnings per share were down from $4.77 to $4.67 and revenues totalled $851.7m against $652.4m. The *exchange gain in the 12 months* totalled $18.1m against a loss of $1.2m previously, although in the 1979-80 financial year *there* was an *$11.5m* accounting gain.

The company, which derives almost a fifth of its revenues from operations in Canada and Europe, expects the first quarter of the curent year to produce earnings below the $12.7m achieved in the same period of the 1980-81 year.

However, it reckons to produce higher earnings for the full year if interest rates and business conditions follow its expectations.

As well as leasing road trailers, marine containers and heavy-duty trucks, Gelco offers fleet management for cars and light trucks to its customers and has an air and ground courier service.

Mattel returns to the black after six months of losses

BY OUR FINANCIAL STAFF

MATTEL, the U.S. toy group, was in the black for its second quarter to August 1 after running up losses of $2m in the preceeding six months.

Net earnings for the quarter were down from $6.5m in the corresponding period in 1980 to $4.8m, despite a rise in sales from $230.3m to $259.1m. Per share net profits were 25 cents against 34 cents.

For the six months the profit was $914,000, reflecting the first quarter loss. In 1980-81 the half *year profit was the same as for* the second quarter.

The company said that net income in the first half of 1981 was hurt by the absence of sales of hand-held electronic games, *mainly in the first quarter.* In the opening quarter sales of these electronic games were 60 per cent down on the level in the previous year's quarter and the decrease in profitability on these products was behind the 1980-81 final quarter loss of $17m.

Mattel also said that operating profits for the latest half were lower in its Western Publishing division while the entertainment division — which includes the Ringling Bros-Barnum and Bailey circus — incurred an operating loss. Results were also affected by higher interest costs and the settlement of litigation in the second quarter.

Sales for the six months came to $450.1m compared with $417.7m.

Aetna and Fox complete deal

By Our Financial Staff

AETNA LIFE and Casualty Company, the largest non-mutual insurance company in the U.S., has completed the $183m purchase of a 50 per *cent interest in several* divisions of Twentieth Century-Fox *Film Corporation.*

The properties in which Aetna's *Urban Diversified* Properties subsidiary will take a half share include the 63 acres of Fox Film's studios, Aspen Skiing Corporation, Coca-Cola Bottling Midwest, Fox Film's New Zealand subsidiary and Hoyt Theatres, an Australian cinema chain.

The deals with Aetna were foreshadowed when Mr Marvin *Davis, the Denver oil* millionaire, announced his successful $800m takeover bid for Fox Films earlier this year.

ITT in talks on Rayonier disposal

By Paul Betts in New York

THE DIVERSIFIED telecommunications conglomerate, International Telephone and Telegraph, said yesterday that it was discussing the sale of its ITT Rayonier subsidiary, one of the world's major producers of forest products.

Although ITT has made some significant divestitures over the past two years, the proposed sale of the forest products subsidiary was not part of the company's overall strategic plan, an ITT official said yesterday. He added that ITT had been approached by third parties with interesting proposals.

"Several companies have recently expressed interest in *the possible acquisition of* ITT Rayonier operations and facilities," the company said in a statement. "Conversations with some of them have taken place, all of a preliminary nature, with the basic purpose of exchanging information."

ITT, however, declined to identify any of the companies involved *in the talks.*

ITT Rayonier became a subsidiary of the communications group in 1968. It is an integrated forest products company which manufactures and sells pulp, logs and other wood products.

The subsidiary owns 1.1m acres of productive timberland and holds long-term leases for an additional 160,000 acres, all in the U.S. Its sales last year totalled $750m.

A little more than a year ago ITT sold the Rayonier Canada unit of ITT Rayonier *to three Canadian companies* for a total of C$420m (U.S.$350m). Rayonier Canada had sawmills, pulp mills and logging operations. Almost a year earlier ITT made a $320m provision for the closure of a Quebec chemical cellulose mill owned and operated by Rayonier. The $400m mill had suffered technical and labour problems and had been shut by strikes when ITT *closed the mill.*

The Rayonier group in 1980 contributed roughly 6 per cent of ITT's total sales of $18.5m and 7 per cent of net profits of $894m.

Canada wants terms changed on $3bn credit

By Peter Montagnon, Euromarkets Correspondent

CANADA is seeking to change the conditions on the U.S. $3bn Eurocredit it arranged through Citibank in 1978. The changes would make it more attractive for Canada to draw on the credit should it decide to do so.

The principal change in the conditions would involve the inclusion of a Libor option in the pricing. Until now the loan has only been available on an interest rate related to U.S. prime rate.

This started at the Citibank prime rate for the first four years of the loan, and rises to ¼ per cent for the last four.

With Eurodollar rates much lower than prime rates in recent times, drawing on a prime rate basis would be expensive for Canada in terms of overall cost. Market conditions now are also such that a very low margin over Libor (London interbank offered rate) could be expected, although details of the new margin structure are not being disclosed at present.

City Investing building sold for $175m

By Our Financial Staff

HOME INSURANCE, a subsidiary of City Investing, the U.S. financial, manufacturing and housing group, has sold its New York headquarters building for $175m to Olympia and York, the Canadian-owned property company.

City Investing, which with Home will continue as the major tenants in the building, said the sale was part of its previously announced disposal programme.

The programme involves the sale of assets with a book value of about $540m and a market value of around $800m. The spur to the sales was the $1.2bn bid for City Investing from Tamco Enterprises in mid-1980.

Tamco still has about 10 per cent of City Investing, and has been joined by Mr Victor Posner's Sharon Steel as a major shareholder. Sharon has announced plans to build up a stake of around 25 per cent from its current level of under 10 per cent.

L. M. Ericsson launches $40m convertible bond

BY ALAN FRIEDMAN

A $40M 14½-YEAR convertible Eurobond was launched last *night* by L. M. Ericsson, the Swedish telecommunications *group.* The *rare* Swedish convertible—the last one was a $25m *bond for* Aga in 1979—is being lead-managed by *Svenska Handelsbanken,* S. G. Warburg and Skandinaviska *Enskilda Banken.*

Earlier reports said the issue would be $45m. But it was decided yesterday, in the light of the devaluation of the *Swedish* krone by 10 per cent, to offer $40m. The issue carries a 9¼ per cent coupon at par and the conversion premium will be between 8 and 10 per cent.

Ericsson's shares closed at SKr 186 last night.

In the Japanese convertible market, there are plans for still more new issues this week. Today sees the launch of a 15-year bond for Sumitomo Real Estate. The issue carries a 5¼ per cent coupon, is lead-managed by Daiwa Securities and will be for $20m rather than the planned $25m.

Two more convertibles are expected tomorrow. Daiwa is managing a $30m 15-year issue for Fuji Electric, with a coupon of 5¼ per cent. This was postponed last week because of difficult market conditions. Yamaichi Securities is expected to launch a $40m issue for Fujisawa Pharmaceuticals. The issue, $10m lower than expected, has a 5¼ per cent indicated coupon and matures in 15 years.

Elsewhere in the Eurodollar bond market, prices edged up ¼ point in very quiet trading.

In Switzerland, *a holiday* reduced most market action. A planned SwFr 100m 10-year straight bond for the Electric Power Development Company of Japan, to be lead managed by Swiss Bank Corporation, failed to materialise.

The SwFr 75m issue for SHV began trading—at 98 against an issue price of par.

In the D-Mark sector trading was subdued and prices were marked up ¼ point.

In Paris, the European Investment Bank launched a FFr 500m domestic bond with a coupon of 17.5 per cent and a 10-year life. The issue, managed by Banque Nationale de Paris, is the first bond launched by a non-French borrower since the election of M. Mitterrand last May, but does not represent the reopening of the Eurofranc bond market.

The EIB also launched a Fl 200m foreign bond to 1993 through AmRo Bank and Algemene Bank Nederland. The issue, with a 13 per cent coupon, will be priced next Monday.

In the sterling bond market, Nippon Electric reduced its announced £40m convertible bond to £30m. The issue, lead-managed by Credit Suisse First Boston, carries a 5¾ per cent coupon.

A Y50n Samurai bond was *launched* for the Industrialisation Fund for Finland. The *issue, lead-managed* by Daiwa, matures in 1993, carries a *coupon of* 8.6 per cent and is priced at 99.4.

Mexico launches £50m Bulldog, Page 20

Indosuez cleared for Abu Dhabi

BY DAVID HOUSEGO IN PARIS

BANQUE de l'Indochine et de Suez (Indosuez), the large independent French bank which the Government has announced *will be nationalised,* was yesterday given formal permission to open a new branch *in Abu* Dhabi.

This is the first concrete sign that Arab banking authorities will not take as hostile a stance towards the nationalisation of French banks with subsidiaries in their countries as some private bankers had feared.

Indosuez has also been led to *believe by its* Saudi partners in Saudi Arabia that they do not *object to the French* Government taking over Indosuez's operations there, provided the bank is still run on commercial lines and by banking professionals.

Through its 40 per cent stake in Al Bank al Saudi Al Fransi, Indosuez *is one of the most* widely represented foreign banks in Saudi Arabia with a network of 17 foreign branches as of June 30.

M Pierre Moussa, the chairman of Compagnie Financiere de Paris et des Pays-Bas, another leading private banking and industrial group, has implied that nationalisation would damage France's banking interests in the Middle East, point*ing out that France's existing* nationalised banks have not been allowed to operate "onshore" in the Gulf states.

However, the French authorities have received a further encouraging sign from the Saudi Arabian Monetary Authority (SAMA) being a substantial purchaser of last week's *issue of FFr* 15bn ($2.6bn) of government bonds. *Most* Arab and other foreign investors shunned the issue.

The Saudi purchase of Government bonds comes amid widespread rumours that Saudi Arabia declined recently a French request for a short term balance of payments loan of $3bn. Such loans have been *made regularly* by the Saudis since 1975.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market *exists. For further details of these or other bonds see the complete list of Eurobond prices which* will be published next on Thursday September 17.

Closing prices on September 14

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amoco 13¼ 88	75	85⅞	86⅜	0	−0⅛	16.96
CIBC 14½ 84	185	94½	94⅞	0	−0⅛	17.21
CIBC 15¾ 86	75	95⅜	96⅛	+0⅛	−0⅛	15.46
CNA 15½ 96	75	88⅞	89⅜	+0⅜	−1⅛	17.28
CNE 12¾ 91	100	79⅜	79⅞	+0⅜	−0⅛	17.23
Citicorp Int. Fin. 15 86	150	94¾	95⅛	+0⅛	−0⅝	16.53
Citicorp O/S 15½ 84	175	98⅜	98⅞	+0⅛	+0⅛	16.06
Con. Illinois 14¾ 84	100	94⅝	95⅛	+0⅝	+0⅛	17.07
EEC 14¾ 93	85	88½	89	0	−0⅝	16.97
EIB 12¾ 89	75	82½	83	−0⅛	−0⅝	16.90
Eldorado 13¾ 86	50	88⅛	88⅝	+0⅛	−0⅛	17.07
Elec. de France 13 88	25	84⅜	84⅞	+0⅛	−1	17.10
Fed. Bs. D. 15¾ 84 (J)	40	98⅛	98⅝	+0⅛	0	16.42
Fin. Exp. Credit 10½ 85	50	81⅛	81⅝	+0⅛	−0⅛	17.58
Finland, Rep. of 9½ 86	100	76⅝	77⅛	0	0	17.18
Ford Cr. O/S Fin. 16 84	150	99	99½	+0½	0	16.24
Ford Cr. O/S Fin. 16 85	150	97⅛	97⅝	+0⅛	+0⅛	16.92
Gaz de France 13½ 86	80	89⅜	89⅞	+0⅛	+0⅛	16.99
GMAC O/S Fin. 12⅞ 88	100	84⅞	85⅜	+0⅛	−0⅛	16.78
GMAC O/S Fin. 14¾ 87	100	91⅞	92⅜	0	−0½	16.93
Genstar 14¾ 91	50	92⅜	92⅞	0	−0⅛	16.29
Hiram Walker 16 86	50	100⅛	100⅝	+0⅛	0	15.81
IBM Wld. Trade 14¾ 84	100	99½	100	0	−0⅛	14.78
IBM Wld. Trade 14¾ 85	60	98⅜	99⅛	+0⅛	+0⅛	15.07
Nat. Bk. Canada 15¾ 84	40	96⅞	97⅜	+0⅛	−0⅛	16.69
Newfoundland 13½ 90	60	84½	85	+0⅛	−1⅛	16.98
Nova Scotia 15 91	75	91½	92	+0⅛	−0⅜	16.73
Ontario Hydro 13½ 91	100	85⅝	86⅛	+0⅛	−0½	16.48
Pacific Gas Elec. 16 88	75	100⅜	100⅞	+0⅛	0	15.81
PSNH Int. Fin. 17 86	30	98½	98⅞	+0⅛	+0⅛	17.41
Royal Bk. Canada 14 86	100	92	92½	+0⅛	0	16.45
SNCF 13 91	75	83⅛	83⅝	+0⅛	−0½	16.52
Shell Canada 15¾ 91	100	97⅜	97⅞	+0⅛	−0½	16.25
Sth. California 14 87	50	93¾	94¼	+0⅛	0	15.62
Sth. California 14¾ 88	50	93⅞	94⅜	0	−0⅛	16.19
Sven Handlsbk. 13¾ 88	45	87⅛	87⅝	+0⅛	−0⅞	17.01
Swed. Ex. Credit 13 86	75	87⅜	87⅞	+0½	+0⅛	17.20
Swed. Ex. Cred. 15¾ 86	50	94¾	95¼	0	−0½	17.30
Toronto-Dom. Bk. 14 84	50	93¾	94¼	+0⅛	−0⅝	16.92
Tribune O/S Fin. 14 86	50	90⅝	91⅛	+0⅛	−0⅜	16.94
Walt Disney 15¾ 86	100	96⅛	96⅝	+0⅛	−0⅛	16.83
Wells Fargo Int. 15½ 85	50	97⅜	98⅛	+0⅛	0	16.38
World Bank 14½ 86	500	91⅝	92⅛	0	−0⅛	16.88
World Bank 16 86	210	97⅞	98⅜	+0⅜	+0⅛	16.52
World Bank 16 88	80	97⅞	93⅜	+0⅜	+0⅛	16.41

Average price changes... On day +0⅛ on week −0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 10 91	100	94¾	95½	+0⅛	−0⅛	10.82
Austria Rep. of 8¼ 92	150	84⅞	85⅜	0	+0⅛	10.57
CECA 7⅞ 92	150	84¾	85	+0¼	+0⅛	10.27
CECA 10 91	120	97⅞	98⅜	+0⅛	+0⅝	10.28
CH-Honeywell 8½ 90	125	83⅞	84⅜	+0⅛	−1	11.37
Council of Europe 10 91	100	97⅛	97⅞	+0⅛	+0⅛	10.40
EIB 8½ 90	200	87⅞	88⅜	0	+0⅛	10.66
EIB 10½ 91	200	99	99½	+0⅛	+0⅛	10.58
ESCOM 9¾ 87	100	89⅜	90⅛	0	+0⅛	11.67
Finland, Rep. of 10 89	100	97	97½	+0⅛	+0⅛	10.49
Iberduero SA 9 90	100	89⅞	90⅜	+0⅛	−0⅛	10.80
Ind. Bk. Finland 8½ 90	50	87⅝	88⅛	+0⅛	−0⅛	10.61
Int.-Am. Dv. Bk. 10 91	100	95½	95⅞	−0⅛	+1	10.76
Japan Air Lines 8¼ 87	100	90⅛	90⅝	+0⅛	+0⅛	10.27
Japan Dev. Bk 7⅝ 87	100	88	88½	+0⅛	+0⅛	10.36
Kobe, City of 8 90	100	85⅞	86⅜	+0⅛	+0⅛	10.45
Midland Int. Fin. 8½ 90	180	88⅝	89⅛	+1	+0⅞	10.47
Nuclebras 8¾ 88	100	85⅞	86⅜	+0⅛	−0⅛	12.84
OKB 8¼ 92	150	82⅞	83⅜	+0⅛	+1⅞	10.98
Oslo, City of 8¾ 90	80	89⅜	90½	+0⅛	+0⅛	10.55
Renault Acc. 10¾ 86	150	97⅞	98⅜	+0⅛	+0⅛	11.36
Venezuela, R. of 9¾ 90	160	93⅝	94⅛	+0⅛	+0⅛	10.85
World Bank 8 90	700	84⅜	84⅞	+0⅛	+0⅛	10.75

Average price changes... On day +0⅛ on week +0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 6½ 91	80	*†89	91	+0½	−0½	8.0
BFCE 6½ 91	100	*89¼	89¾	0	+0⅛	8.13
Bayer Int. Fin. 5¼ 92	100	*81¼	81¾	0	−0½	7.84
Belgelectric Fin. 7¾ 91	100	*96¼	96½	+0⅛	−0½	8.30
Bergen, City of 6¾ 91	40	*†94	94½	+0½	+0⅛	7.61
CECA 6¾ 91	80	*90¼	90½	+0⅛	−1⅛	8.23
Denmark 5¾ 90	80	*79	80	+0¼	−0½	9.25
Dome Petroleum 5¾ 91	100	*84¾	85	+0¼	−0⅝	8.10
Dome Petroleum 7¾ 90	100	*98	98½	+0⅛	−0½	7.62
Elect. de France 5¼ 90	100	*80	80¼	−0⅛	−0⅛	8.49
Eurofima 5¾ 92	80	*†90	92	−4¼	−4¼	6.94
Finland, Rep. of 5⅝ 90	80	*†78	79	+0⅞	−0⅛	9.27
Franc. Petroles 6½ 91	80	*90	90¼	−0¼	+3¼	8.01
Genstar 7 91	100	*†95	95½	−0¼	−0⅞	7.71
Int.-Amer. Dv. Bk. 7 91	100	*92½	93	+0⅛	+1⅛	8.11
Japan Dev. Bank 5¾ 90	100	*87½	87¾	+0½	+2¼	7.69
Mt. Blanc Tunnel 5½ 90	60	*†83	83½	+3	0	8.21
Neweg 5¼ 90	80	*†88½	88¾	−1	+0¼	7.56
OKB 7 93	100	*94	94⅛	+0⅛	−2	7.78
Oslo, City of 5⅞ 90	80	*†83½	84½	+0⅛	+3⅛	8.47
Philips Lamps 5¼ 92	100	*81¼	81¾	−0⅛	+2½	7.84
Swed. Ex. Credit 7¾ 91	75	*92	92½	0	−0⅞	8.45
Trade Dev. Fin. 6⅛ 90	50	*†86½	87½	+0¼	−0⅛	8.22
Voest-Alpine 5¾ 90	80	*†80½	81	+0½	−3½	8.95
World Bank 6 91	100	*86¾	87	+2¼	+0⅞	8.03
World Bank 7 90	100	*95¾	96	−1¼	−0¼	7.66

Average price changes... On day +0⅛ on week −0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8¼ 91	15	86¾	87¾	0	0	8.67
Australia 8½ 88	20	85⅝	86⅛	+0⅛	+0¼	9.49
EIB 7¾ 89	12	93½	94½	0	0	8.88
Finland 6.8 88	10	84⅝	85⅞	0	0	9.90
Finland, Rep. of 8¾ 87	15	86	87	+0⅛	+0½	9.17
New Zealand 8¾ 87	15	96⅞	97⅞	−0⅛	−0⅛	8.96

Average price changes... On day 0 on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10¾ 86 C$	60	†83	84	+0½	+0½	15.71
CIBC 13½ 85 C$	50	†90	91	0	−0¼	17.10
CIBC 11½ 85 C$	60	†84½	85½	0	−0½	17.10
Federal Dev. 11½ 90 C$	60	†74½	75½	−0½	−1½	17.17
Fst. Can. Inv. 10 84 C$	50	†82½	83½	+0½	+0½	18.54
R. Bk. Canada 10 86 C$	40	†81½	83½	0	−0½	15.49
Tordom Cpn. 13½ 86 C$	30	†92	93	0	−0½	16.29
M. Bk. Dnmk. 9 91 EUA	25	82	83⅛	−2¼	−2½	12.88
SOFTE 8¼ 89 EUA	40	77⅞	78⅞	−1⅛	−2⅛	12.89
U. Bk. Nwy. 9½ 90 EUA	18	86	87	−1⅛	−0⅛	12.71
Algemene Bk. 10¼ 86 Fl	60	92⅜	93⅛	+0⅛	+0⅛	12.38
Amro Bank 12 86 Fl	75	97⅞	98⅛	0	−0⅛	12.51
Heineken NV 10 87 Fl	100	89⅞	90⅛	+0⅛	−0⅛	12.48
Nat. Nedrlndn. 10 88 Fl	60	92¼	92¾	+0½	−0½	11.70
Ned. Midd. Bk. 10 85 Fl	75	92⅜	92⅞	−0⅛	−0½	12.45
Pierson 10¼ 86 Fl	50	92	92½	+0⅛	+0½	12.58
Rabobank 12 86 Fl	50	97½	98	0	−0⅛	12.62
Air France 14½ 86 FFr	200	89⅝	90⅛	+0⅛	+0⅛	17.82
Bk. America 14½ 86 FFr	250	88⅞	89⅞	+0⅛	0	17.98
Charb'nages 13⅞ 85 FFr	400	87⅞	88⅞	+0⅛	+0⅛	17.93
EIB 14⅜ 88 FFr	300	85⅝	86⅝	−0⅛	+0⅛	17.90
La Redoute 14⅛ 85 FFr	125	86	87	−0⅛	0	19.19
OKB 14 86 FFr	400	87⅞	88⅞	+0⅛	+0⅛	17.93
Solvay et C. 14¾ 86 FFr	200	91	92	+0⅛	+0⅛	17.53
Swed. E. Cr. 14⅝ 86 FFr	250	86⅝	87⅝	0	+3⅛	18.36
U. Mex Sts. 14 85 FFr	150	87⅞	88⅞	+0⅛	+0⅛	18.50
Acona 14 85 £	20	92½	93½	+0⅛	+0⅛	16.50
Beneficial 14¼ 90 £	20	82⅞	83⅞	+0⅛	0	18.02
BNP 13½ 91 £	15	85⅛	85⅞	0	−0⅛	16.61
CECA 13½ 88 £	20	88¼	89	+0⅛	0	16.29
Citicorp O/S 13½ 90 £	50	88⅞	89⅝	0	−0⅛	15.85
Fin. Ex. Cred. 13¾ 86 £	15	92½	92⅞	−0⅛	−0⅛	16.12
Gen. Elec. Co. 12½ 89 £	50	85⅛	85⅞	+0⅛	+0⅛	15.89
Hiram Walker 14½ 86 £	25	93⅛	93⅞	0	0	16.28
Privatbanken 14½ 88 £	12	90	90¾	0	−0⅛	16.96
J. Rothschild 14¼ 90 £	12	92⅞	93⅝	−0½	−0⅛	15.59
Royal Trustco 14 86 £	12	93	93¾	0	0	16.11
Swed. Ex. Cr. 13¾ 86 £	20	92½	93	−0⅛	+0⅛	16.09
Akzo 9¼ 87 LuxFr	500	88⅝	89⅝	+0⅛	0	11.84
Euratom 9¾ 88 LuxFr	500	86⅜	87⅜	−0⅛	0	12.88
Eurofima 10½ 87 LuxFr	500	88¾	89¾	0	+0⅛	13.15
EIB 9¾ 88 LuxFr	600	85	86	−0⅛	0	13.23
Volvo 9⅞ 87 LuxFr	500	83⅜	84⅜	−0⅛	−1⅛	13.78

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Bank of Montreal 5¼ 90	0¼	98½	99	18/12	16¼	16.36
BBL Int. 5 86	0¼	99⅝	99⅞	20/11	18.31	18.40
BNP 5½ 88	‡0⅛	99⅝	99⅞	29/10	18.81	18.88
Christiania Bk. 5½ 91	‡0⅛	99⅜	99⅝	5/11	19.19	19.38
Citicorp O/S Fin. 84	‡0	99⅛	99⅜	30/9	19.19	19.26
C. Itoh 5¼ 87	0¼	99⅜	99⅞	18/9	15.44	15.50
Co-operative Bk. 6 86	0¼	99½	100	15/11	19.56	19.61
Den Norske Credit 6 90	‡0¼	99	99½	5/11	19.19	19.33
Genfinance 5¼ 87	0¼	99¼	99¾	30/10	16.94	17.02
Genfinance 5¼ 92	0¼	99¼	99⅝	30/12	18.31	18.43
Giro und Bank 5¼ 91	‡0¼	99	99½	23/9	19.06	19.21
GZB 5¼ 92	‡0¼	98⅝	99	5/12	17⅝	17.47
Ind. Bank Japan 5¼ 88	0¼	99⅜	99⅞	9/10	16.44	16.50
Lloyds Eurofin 8 90 £	0¼	96⅞	97⅜	6/1	13⅝	14.03
Lloyds Eurofin 5¼ 92	0¼	98½	99	4/12	17.44	17.65
LTCB Japan 5¼ 86	0¼	99¼	99¾	13/12	17⅛	17.34
LTCB Japan 5½ 89	0¼	99¼	99¾	16/1	18.32	18.41
Man. Hanov. O/S 5¼ 94	‡0¼	99⅝	99⅞	30/11	19⅛	19.47
Merrill Lynch O/S 87	‡0⅛	100⅛	100⅝	9/11	19.06	18.98
Midland Int. Fin. 5¼ 92	0¼	98⅞	99⅜	5/12	17⅛	17.57
Midland Int. Fin. 9 91	0¼	98⅞	99⅛	30/10	16.81	17.00
Nacional Fin. 6¼ 88	0¼	98⅜	99⅜	25/1	18¼	18.44
Nacional Fin. 5¾ 88	0¼	97¼	97¾	25/9	14⅞	15.25
Nat. Bk. Canada 5¼ 88	0¼	99¼	99¾	24/9	14½	14.59
Nat. West 5¼ 84	§0¼	98⅝	99	14/10	16.19	16.39
Nat. West. Fin. 5¾ 91	§0¼	98⅝	99⅛	15/1	18⅛	18.33
Nat. West. Fin. 5¼ 92	§0¼	98⅜	98⅞	23/10	16.81	17.09
Pemex 6 91	0¾	97⅜	97⅞	8/10	15.31	15.71
Societe Generale 5¼ 91	0¼	97¼	97¾	22/1	18⅝	19.10
Sparebanken 6 87	0¼	98⅜	98⅞	19/12	16.81	17.05
Svenska Hndlsbk. 5 87	0¼	99⅛	99⅝	15/1	18⅛	18.22

Average price changes .. *On day 0 on week 0*

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	933	81⅜	82⅜	+0½	−2.37
Bow Valley Inv. 8 95	4/81	23.12	99¼	100¼	0	19.81
Canon 6¾ 95	1/81	829	160¾	162	+4⅞	3.20
Daiwa Secs 5½ 96	12/81	539	86¼	87½	+1⅛	−5.18
Fujitsu 5½ 96	7/81	732	95⅝	96⅝	+1⅛	4.47
Furukawa Elec. 5¾ 96	7/81	300	101⅜	102⅜	−0⅞	−4.74
Hanson O/S Fin. 9½ 96	8/81	2.74	86½	88¼	0	2.02
Hitachi Cred. Cpn. 5 96	7/81	1966	78⅜	79⅜	−1⅛	−1.80
Ind Overseas 8¾ 2000	4/81	42	95¾	97	+2⅞	1.83
Inchcape 8 95	2/81	4.55	61	62½	−2	7.98
Kawasaki 5¾ 96	9/81	229	88⅜	89⅜	−1⅛	−16.43
Marion Int. Fin. 9 95	12/80	15.5	†72⅜	73⅜	+1⅛	35.49
Marui 6 96	7/81	931	83½	84½	+1⅞	5.53
Matsushita El. 7½ 95	11/80	590	80¾	81¾	−0⅛	−4.95
Murata 5¼ 96	7/81	2190	87⅜	88⅜	+1	−0.85
NKK 6½ 96	7/81	188	110	111	−0⅛	27.15
Nippon Chemi-C. 5 91	10/81	919	81½	83½	+3⅛	0.82
Ricoh 6½ 95	8/80	604	126¾	128¼	−0⅛	−4.70
Sumitomo M. Ind. 7 95	2/81	181	141½	143	−1⅛	−6.99
Swiss Bk. Cpn. 6¾ 90	9/80	200	†69	71	+1	26.09
Taylor Woodrow 8½ 90	1/81	4.94	87¼	88¼	+1⅛	4.13
Transco Int. 8¾ 95	2/81	68	75⅝	76⅝	+0⅛	15.94
Tricorp 8½ 95	12/80	31.25	77½	79	+0½	23.03
Union Bk. Switz. 5 89	2/80	70.79	†69½	71½	+1½	3.73
Sharp Cpn. 6½ 88 DM	9/80	595	164⅞	165⅞	−4⅞	−4.94
Uny Co. 6½ 85 DM	11/79	879.3	97⅜	98⅜	−2⅞	−8.94

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the *mid-price; the amount issued is in millions of currency* units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. *Spread = Margin* above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible Bonds: Denominated in dollars unless other*wise indicated. Chg. day = Change on day.* Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of shares at conversion rate fixed at issue. Prem = Percentage premium of the current effective price *of acquiring shares via the bond over the most recent* price of the shares.

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Some of the officers in Morgan Guaranty's petroleum group at a meeting in London. From left, London head Peter Woicke, Alexander Catto, Thomas Ketchum, petroleum engineering head Suresh Chugh, New York head Edward Hoyt, Linda Whiddon.

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The Morgan Bank

BORROWER PROFILE **TURKEY**

Ankara moves towards a better rating

BY METIN MUNIR IN ISTANBUL

OVER THE past year Turkey made significant progress towards establishing domestic stability and putting its economy in order. Yet there has been little corresponding improvement in its international credit-worthiness.

The country is still near the bottom of the international credit rating list, to where it slipped nearly four years ago when the Government found itself unable to pay suppliers, and service its debts. However, there are signs of improvement which indicate that before the end of the year Turkey may move higher up the list. Furthermore, bankers believe that if the present economic performance is sustained over the next 12 months the market may respond favourably to approaches from Turkey.

The Turkish central bank has retained the services of Kuhn Loeb, Lazard Freres, and Warburgs to help it eventually approach the market for syndicated loans. This year is likely to prove the best for the economy since 1977. Most economic indicators are positive.

Gross domestic product (GDP) is expected to grow by 4 per cent, compared to stagnant growth in 1979 and negative in 1980. Exports, which seem to be experiencing a mini boom, are likely to increase by as much as 44 per cent, reaching $4.2bn. Workers' remittances are expected to grow by 25 per cent reaching $2.4bn. Capacity utilisation at an estimated 55 per cent is still low but higher than last year by about 5 per cent. There is also modest revival in investment activity, encouraged by growing business confidence and an increase in public and private savings.

A more problematical area is government finances and borrowing requirements of the inefficient State Economic Enterprises (SEES). A major tax reform has been successfully carried through. But despite forecasts of a doubling of tax receipts, revenue may be insufficient to meet the public borrowing requirements.

Turkey's total disbursed external debt was around $17.8bn at the end of 1980 but presents a less disturbing picture than it did several years ago. Ankara signed a series of debt reschedulings with the countries of the Organisation of Economic Co-operation and Development (OECD) and commercial banks and has put forward a scheme for dissolving its non-guaranteed trade arrears to suppliers.

As a consequence, total short-term disbursed debts decreased to $2.4bn from $6.1bn, and medium- and long-term debts increased to $15.3bn from $5.5bn.

Turkey is not taking further steps to improve its debt structure. It has nearly completed renegotiating the terms on $3.2bn-worth of commercial debt signed in 1979. This debt was made up of a fresh money loan, existing short-term loans and overdrafts. The initial terms were for repayment over seven years with a three-year grace period. It is now to be repaid over 10 years with a five-year grace period — once the remaining three clients of about 240 banks agree. The cost of servicing medium- and long-term debt this year is forecast at $2.4bn, about one-third of expected earnings from exports and workers' remittances. This ratio should fall to more manageable levels over coming years—to around 25 per cent in 1983 and under 20 per cent by 1985.

Turkey's medium-term debt to the banks totals $3.1bn. The banks appear unwilling to take on further Turkey risks as long as their exposure remains outstanding. The debts to suppliers—the so-called non-guaranteed trade arrears—total $1.3bn. A large number of suppliers are selling this debt at between 32 and 36 per cent of their face value, an indication of their lack of faith in the country's ability to repay them.

Recent developments indicate that despite the cloud cast by these debts, banks are looking more favourably on Turkey. One area in which there has been continuous favourable development over the past 10 months or so is trade credit lines. A large number of foreign banks have been extending their credit limits to the central bank and commercial banks and improving the terms.

The central bank and commercial banks are no longer obliged to deposit 100 per cent cash cover for imports. Although cash cover is still required, this is generally between 10 and 50 per cent and getting smaller.

The development arises mainly from increased availability of foreign exchange. Also, the central bank is in the hands of such widely-respected individuals as Mr Yavuz Canevi and Mr Zekeriya Yildirim, who, under the governorship of Mr Osman Siklar, succeded in restoring confidence in the institution. Moreover, Turkish commercial banks have been given greater freedom to build up foreign currency reserves and to use them to finance imports.

The recent syndication of a $100m loan by the central bank is also a good omen and an example which is likely to be followed. The loan was lead managed by the Libyan Arab Bank and funded by 10 Arab banks.

Representatives of 12 Kuwaiti banks and finance houses are to visit Turkey later this week at the invitation of the central bank, which wants Kuwait to take the lead in syndicating a medium-term programme loan of between $150m and $200m. The central bank said the Kuwaitis themselves had agreed in principle to put up $50m towards the loan.

A self-liquidating loan syndicated by American Express for the Izmir-based Turk Tuborg Company seems to have run into difficulty. Turk Tuborg, a privately-owned company whose majority equity holder is foreign, said that the repayment guarantees demanded by the banks were "too tough to accept—at this point we are at a deadlock but all hope is not lost." The medium-term loan of $16m would have been liquidated through Tuborg's malt exports.

These loans indicate that Turkey may enter the market through self-liquidating loan agreements which reduce the country risk. The central bank has been encouraging commercial banks to enter the market for such deals.

On Turkey's prospects for entering the medium-term Euroloan market, the central bank and the foreign banks close to it seem to be in agreement. The consensus seems to be that these prospects are closely linked to the extent to which the improvement in the economy will be sustained in the second half of the year and, in particular, to how well exports and invisibles perform. If, as is generally expected, the momentum is maintained, an approach by Turkey for a "small loan" in the first half of next year may be favourably received. The central bank seems to have heeded the banks' advice not to "go for a jumbo loan."

Export buoyancy boosts turnover at Olivetti

BY JAMES BUXTON IN ROME

OLIVETTI, the Italian business equipment and electronics manufacturer, yesterday announced a 24 per cent increase in turnover for the first six months of this year. It also disclosed a sharp rise in exports, sharply higher electronic typewriter sales and a marked drop in debt.

Turnover for the parent company was L659bn ($546m), a rise of 27 per cent compared with the first half of 1980. Group turnover was up 24 per cent at L1,193bn.

Domestic sales for the parent company rose 21 per cent while export sales were up by 37 per cent. The company says that its profits also rose "notably" over the period. Last May, Sig Carlo de Benedetti, Olivetti's vice-chairman who has brought about the company's recovery since he took over in 1978, predicted profits of L150bn for this year compared with L104bn for 1980.

Orders taken in Italy by the parent company in the half year rose by 17.6 per cent. Group orders rose by 27 per cent.

The parent company has virtually halved its debt in the six months from December 31, 1980, to June 30, 1981, bringing it down by L153.4bn to L165.3bn thanks to the capital increase launched earlier this year and to increased self-financing. The company's ratio of interest charges to turnover has fallen in the 12 months to June 30, 1981, from 7.8 per cent to 4.2 per cent.

The company, based at Ivrea in Northern Italy, said that the proportion of sales accounted for by electronic typewriters rose from 7.9 per cent in the first half of 1980 to 20 per cent in the first half of this year. Information processing products accounted for 58.7 per cent of sales and other office products for 21.3 per cent.

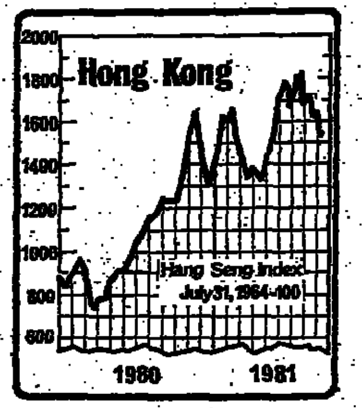
Olivetti says its improved performance has enabled it to devote more resources to research and development. About 3 per cent of turnover went on research and development in 1978, the first year of Sig de Benedetti's management. This year about L110bn, making up 4 per cent of turnover, is likely to be spent.

About 30 per cent of the shares of Olivetti are owned by the French company, St Gobain, which is due to be nationalised under the Mitterrand Government's plan. Sig de Benedetti plays down possible concern about the future of the relationship of Olivetti with the French company.

"Olivetti is 70 per cent Italian. It is wrong to raise today the problem of the French presence in our company. It would be like saying that Fiat belongs to the Libyans," he said last week in a reference to the 10 per cent stake the Libyan Government has in Italy's biggest private enterprise.

Hong Kong blow to share issues

BY OUR HONG KONG CORRESPONDENT



HONG KONG'S two largest stock exchanges, The Kam Ngan stock exchange and the Far East Exchange, have placed a moratorium on new share issues by companies. The decision has widened divisions between officials of Hong Kong's four stock exchanges and has attracted adverse criticism from the semi-official Securities Commission and major merchant banks.

The Hong Kong and the Kowloon stock exchanges remain accessible to new flotations. However, the Kam Ngan and the Far East exchanges take up approximately 80 per cent of the total daily turnover, and their decision is likely to halt all new issues.

The moratorium does not affect this week's HK$85m flotation by Chuang's Properties, and also allows rights issues to go on as before.

Mr Ronald Li, the chairman of the Far East Exchange, said the moratorium was imposed because of a fear that further new issues might further weaken the stock market, which has fallen sharply over the past few weeks.

New issues were halted in March this year for over two months and the action proved successful in stemming what could have turned into a steep decline of share prices, he said.

The main market indicator, the Hang Seng Index, closed on Friday at 1,533.85 points, compared with the all-time high of 1,810.20 reached on July 17. Since the previous moratorium was lifted in May, six new issues have come to the market taking up funds of over HK$1bn (some U.S.$170m). The most recent flotation was by Hysan Development Company which issued shares worth HK$450m and was 2.7 times oversubscribed. So far this year, 10 companies have been publicly floated and the stock exchanges have said that another eight applications have been received.

Mr Li said that he is also worried that if new issues trade below their issue price, future flotations may find it difficult to gain public acceptance.

The decision by the two exchanges to halt new issues has drawn criticism from the Securities Commission, which is a semi-official body set up to maintain order in the stock market.

The Commission was opposed to the previous moratorium and has not changed its view. It has advised the stock exchanges that it would prefer to see an orderly queuing system for new issues. However, the stock exchanges unanimously see this as impractical. Merchant banks have also criticised the moratorium. They see the timing and pricing of new issues as a matter for the market to determine.

Hagemeyer lifts first-half profit despite lower sales

BY CHARLES BATCHELOR IN AMSTERDAM

HAGEMEYER, THE Dutch trading and industrial group, reports higher first-half profits on turnover depressed by a fall in the world market price for coffee.

Trading profit, before depreciation and tax, rose 11 per cent to Fl 36.9m ($14m) in the first six months of 1981. Net profit rose to Fl 1.5m from Fl 1m, confirming that profits are continuing to recover gradually.

Hagemeyer made a substantial loss in 1978 but moved back into the black in 1979, more than doubling net profit to Fl 8.3m in 1980.

Depreciation rose 10 per cent to Fl 6.3m in the 1981 first half, and the net interest charge was 21 per cent higher at Fl 26.2m. Hagemeyer reserved Fl 2.7m (Fl 4.4m) for tax while the share of minority interests fell to Fl 130,000 (Fl 310,000).

The company excluded FL 300,000 of currency profits from the accounts. In the 1980 first half these profits were Fl 500,000.

Turnover fell Fl 71m to Fl 867m. This was the result of a fall of Fl 124m in coffee-related sales, because of the sharp fall in the world market price, and an increase of Fl 53m in other sales.

Hagemeyer has acquired a half share in Technische Warenfabrikation und Vertriebs, a West German trading company which imports and distributes audio and video equipment

North Borneo Timber goes into the red

SINGAPORE—North Borneo Timber of Malaysia said a terrorist attack on operations in the Philippines led to a 7m ringgit (U.S.$3m) extraordinary loss, pushing the company into the red for the year ended May.

Pre-tax profit, excluding extraordinary items, was 7.3m ringgits, still down 47 per cent from a year earlier, but investments in German B. Aranaze of the Philippines left the logging concern with consolidated attributable loss of 2.1m ringgit compared with a profit of 2.2m ringgit a year earlier.

Weaker commodity prices also affected the company's interests in cocoa plantations.

North Borneo has declared a 5 sen final dividend compared with 10 sen a year earlier.

AP-DJ

Doubled interim result for Dutch foods group

BY OUR AMSTERDAM CORRESPONDENT

NET PROFIT of Wessanen, the Dutch foodstuffs group, doubled in the first half of 1981 on slightly higher turnover. Nevertheless, the company is prepared to forecast only that profit for the year as a whole will be "higher" than in 1980.

Net profit rose to Fl 10.3m from Fl 5.2m in the same 1980 half on sales which were 11 per cent higher at Fl 1.4bn. The increase in turnover was largely the result of rises in the price of raw materials.

Trading profit rose 18 per cent to Fl 48.5m. The net interest charge fell by Fl 3m to Fl 11.8m, although depreciation increased by Fl 2m to Fl 17.6m and the tax charge was Fl 3m higher at Fl 8.2m.

Wessanen booked an extraordinary loss of Fl 880,000 compared with a loss of Fl 260,000 last time, but credited a Fl 360,000 share in non-consolidated company profits.

The company's mixed feed and meat activities have been under pressure but a recovery is expected in the current half.

Marzotto sees earnings rise

By Our Financial Staff

MARZOTTO, THE Italian textile company, has increased turnover by 15.3 per cent to L118.7bn ($98m) for the first half of 1981 from a year earlier. It expects sales of L250bn for the year as a whole, a 20 per cent increase.

Marzotto said that the rise was chiefly the result of exports, which jumped 47 per cent to L47.6bn. The company also forecasts higher profits for 1981.

Canada to back KHD project

BY ROGER BOYES IN BONN

THE CANADIAN engine plant planned by Kloeckner-Humboldt-Deutz, the West German engineering group, will be financed jointly with the Canadian Government. The plant will produce KHD's 610 VB eight-cylinedr series, lightweight truck engine. Output will start in 1983 and KHD expects an initial 15,000 engines per year. Capacitl would be flexible and could be expanded should U.S. demand prove even stronger than expected.

There are still a number of imponderables surrounding the Canadian move, including the exact site of the plant and amount available for start-up investment. First reports from Canada have suggested that the whole project may cost about C$150m (U.S.$125m).

Two considerations seem to underpin the KHD decision. First, the Canadian Government has shown itself ready to provide special grants to draw direct investment to the country. This proved to be an important factor in Volkswagen's recent decision to locate a Canadian C$100m car parts plant in Ontario. Other manufacturers, including Japanese car producers, have been considering setting up parts plants in Canada to increase production efficiency and to boost competitiveness on the North American market.

KHD's second consideration is one of group strategy. While KHD has three main pillars—agricultural machinery, process plant and engines—it is the overseas diesel market which seems to promise the company its most lucrative growth in the short term. KHD, which sells more than 22,000 air-cooled diesel engines annually in the U.S., hopes to raise this above the 40,000 mark by the middle of the decade. It acquired an assembly plant in Richmond Indiana, in 1979 from American Motors Corporation to serve as a springboard for this expansion.

The Canadian plant will complement this operation. Market studies have shown that the proportion of U.S. diesel engine trucks in the middle range would rise from 15 per cent in 1980 to 35 per cent in 1985. KHD hopes to exploit this market potential, using the twin arms of its Canadian and Richmond factories.

KHD's engines division saw sales go up last year by 9 per cent to DM 1.8bn ($750m) and incoming orders by DM 1.7bn. By contrast, sales of agricultural machinery fell by 1 per cent to DM 1.1bn and orders by 4 per cent, also to DM 1.1bn.

KHD parent company profits fell to DM 37.1m after tax from DM 52.1m. Sales turnover was up by 12 per cent to DM 3.8bn.

$18M ACTION OVER IWASAWA BAD DEBT

Chase files suit against Tokai Bank

BY RICHARD C. HANSON IN TOKYO

CHASE MANHATTAN has carried forward the legal battle over responsibility for losses resulting from loans obtained by the troubled Iwasawa group of companies in Hokkaido, northern Japan.

Chase is the first foreign bank to take the problem to court. It launched last week a suit involving $18m in a U.S. District court in New York against Tokai Bank, of Nagoya. Two other suits are being brought in Japan involving the defaulting Japanese companies and the former leader of the group, Mr Osamu Iwasawa.

The companies are Hokkaido Television Broadcasting, Sapporo Toyopet (currently in receivership), and Kinsei Motors. Tokai Bank is a main backer of the Iwasawa group. Chase has emerged as the largest foreign lender.

There are 11 other foreign bank branches in Japan involved in loans (which totalled over $100m when the crisis broke) to the Iwasawa group. Chase has launched its legal action in New York on the basis of what it claims are "letters of guarantee" from Tokai Bank on the loans. Only three of the foreign banks involved hold such letters from Tokai.

To date none of the other banks have taken legal steps against either Tokai Bank, one of Japan's powerful "city" banks, or the companies involved.

Chase Manhattan filed on September 2 in Tokyo Distarict Court for a ruling establishing the legality of promisory notes it had from Hokkaido Television Broadcasting and Kinsei Motors. A hearing is scheduled for October 8. Chase accounts for slightly less than Y4bn of the foreign bank loans outstanding to the Iwasawa group. One banker involved estimated the total at Y7.2bn against a reported Y22bn outstanding when the group's troubles became known. Some banks, it seems, have cashed in on collateral.

In addition, this week Chase is taking the extraordinary step for a foreign bank, of filing a suit against an individual, in Hokkaido District Court against Mr Osamu Iwasawa, the founder and erstwhile leader of the Iwasawa group. Mr Iwasawa's name appears as guarantor for loans on documents received by the foreign banks, Chase says, and wants him to make good the loans.

In March this year Hokkaido Television Broadcasting said its financial problems were directly related to unsuccessful stock market speculation, involving the company's funds, by Mr Iwasawa.

Mr Iwasawa has not appeared in public since the issue came to light in the Press. His whereabouts are unknown.

Tokai Bank is the 23rd largest bank in the world. Its dispute with the U.S. giant, Chase stems from letters sent to Chase by the Tokai Bank's Sapporo (Hokkaido) branch early this year giving assurances on its "support" for the Iwasawa group of companies.

Copies of the letters have been filed with the U.S. court in New York as evidence. The letters were written after Chase asked for additional collateral on what were mostly fastly depreciating shares at the time, to cover the loans.

Tokai Bank has maintained in the past that, though it "introduced," the foreign banks, it has carried no legal responsibility as guarantor for the loans. Tokai, along with a number of other Japanese banks also has extensive loans outstanding to the Iwasawa group.

Tokai has not commented on the suit filed in the U.S. by Chase.

Chase would be willing to withdraw the suits if any of the parties involved was willing to arrange to make good the loans. Tokai Bank's own position in the matter, however, makes an out of court settlement a sensitive issue.

The foreign banks involved divide into two groups, Chase and two others with letters from Tokai Bank. The rest are relying on negotiations with Tokai Bank and the companies involved in finding a settlement.

It appears that the banks would be willing to take some losses, just to resolve the problem. A failure to reach an acceptable agreement, it is feared, could cause serious strains on the business relationships which Tokai Bank enjoys with any of the banks internationally.

The Japanese authorities so far have not become involved in the dispute between the foreign banks and Tokai Bank.

Securities houses to make scrip issues

By Our Financial Staff

FOUR MAJOR Japanese securities companies have said they will make scrip issues given their expectations of sharp profit increases.

Nomura Securities Company will make a 3-for-100 issue and Nikko Securities Company, Daiwa Securities Company, and Yamaichi Securities Company will make 5-for-100 issues.

The companies said the issues would help distribute the substantial profits expected for the year ending this month following active foreign purchases of Japanese stocks during the period, and would also return to shareholders the premiums prompted by capital issues at market prices in the past year.

Nomura plans to raise its dividend payment to Y7 per Y50 share for the year from Y6 last year. The company is expecting a 33 per cent rise in its after-tax profit to a record Y44bn ($190m).

The other companies plan to maintain their dividends at Y6.

Nikko expects a 31 per cent rise after-tax profit to a record Y24bn, Daiwa a 60 per cent rise to a record Y20bn, and Yamaichi a 29 per cent rise to Y15bn.

● Net foreign sales of Japanese stocks in the first week of September rose sharply to Y44.95bn from Y34.57bn in the fourth week of August.

This is the second highest level on record, after the Y47.20bn of the fourth week in July.

Foreign sales through 12 Japanese securities houses in the September week fell by 7.7 per cent to Y83.39bn from the preceding week, while purchases fell by 31.1 per cent to Y38.44bn, the lowest level since the Y33.8bn of the fourth week of last December.

Setback at Mitsubishi Chemical

BY YOKO SHIBATA IN TOKYO

MITSUBISHI Chemical Industries, Japan's largest chemical company suffered a steep fall in earnings for the half-year to July 31 1981. The setback is attributed to delayed inventory adjustment caused by a drop in demand following speculative demand the previous year.

Half-year operating profits fell by 90.5 per cent to Y1.56bn ($6.7m). Net profits were 70.3 per cent lower at Y2.32bn on sales of Y364.61bn ($1.6bn), down 13.3 per cent from the year earlier level. Half year profits per share were Y2.21, compared with Y7.82.

Sales by the company's carbon products division fell by 2.1 per cent to account for 30.7 per cent of the total, while the petrochemical division saw a sales setback of 23.1 per cent to account for 42.7 per cent.

As well as stagnant demand, sales were hit by the inflow of American semi-processed products, encouraged by the sharp fall of the yen against the dollar and heavier competition from U.S. exporters in overseas markets. The company's exports fell by 18 per cent to account for 12.1 per cent of total turnover.

The Japanese chemical industry sees no sign of improvement in demand in the rest of the current year, and manufacturers are planning to increase prices to stem operating losses.

Mitsubishi Chemical expects an improvement in sales for the year to end January but earnings are forecast to remain at a low level.

● Tokio Marine and Fire Insurance has filed with the Securities and Exchange Commission for an issue of 15m common shares to be offered to U.S. holders of common stock and holders of American Depositary shares, which represent 50 shares of common stock. The sale is part of an offering of 361.2m common shares to shareholders in Japan and elsewhere, Reuter reports from Tokyo.

U.S. holders of American Depositary shares will be offered one additional Depositary share for each 2½ shares held. The registration statement is expected to become effective around September 17 and the offering to expire on October 16.

SA deal to form major Zimbabwe cement group

BY JIM JONES IN JOHANNESBURG

PORTLAND HOLDINGS, the Zimbabwean company whose main interest is a 50 per cent stake in the cement producer United Portland Cement, is to buy 50.5 per cent of the country's other major cement producer, Premier Portland Cement, from that company's controlling South African shareholders.

Pretoria Portland Cement, which is 54 per cent-owned by Barlow Rand, Thos. Barlow Pension Fund, and Amosite Holdings, have agreed to sell 1.32m shares in Premier Portland to Portland Holdings at Z$2.85 per share.

A similar offer will be made to other shareholders, but if the Zimbabwean Government promulgates a capital gains tax before the end of this year, an alternative offer of four Portland Holdings shares for each Premier Portland share will be made.

Portland Holdings' directors believe that the acquisition is in the national interest as it will localise control of a major part of a basic industry. It will also allow rationalisation of the operations of Premier Portland and United Portland, in which Premier is the other 50 per cent owner.

In the year ended July 31 1981, United Portland increased pre-tax trading profit to Z$4.87m (U.S.$6.6m) from Z$3.84m in the previous year. In the six months to February 28 1981, Premier Portland had a pre-tax income of Z$1.18m compared with Z$662,000 in the corresponding period of 1980

Advance by Singapore Airlines

By Our Financial Staff

SINGAPORE AIRLINES, or SIA, increased airline profits after tax by 38.6 per cent in the year to March 31, to S$94.8m (U.S.$45m), with the inclusion of dividends from subsidiaries and exceptional items raised by the sale of old aircraft.

At group level, profits after tax were S$117m, for a gain of 31.3 per cent. Parent airline company total revenue exceeded S$2bn for the first time, rising 21.1 per cent to S$2.29bn (U.S.$1.1bn). Group revenue was up 20.9 per cent to S$2.46bn.

The parent company profit before tax from airline operations showed a gain of 16 per cent to S$18.2m.

LONDON STOCK EXCHANGE

Higher interest rates move brings widespread weakness

Gilts drop £1½ and 30-share index falls 11.5 to 541.9

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Aug 28	Sept 10	Sept 11	Sept 21
Sept 14	Sept 24	Sept 25	Oct 5
Sept 28	Oct 8	Oct 9	Oct 19

* "New-time" dealings may take place from 9.30 am two business days earlier.

The authorities' signal for higher short-term interest rates shook London stock markets yesterday, causing confusion in Government securities and forcing leading equities down sharply. Gilts were easier prior to the afternoon announcement that several Discount Houses had been compelled to borrow at 13¾ per cent for overnight money. The reason for this was said to be partly in response to the external situation, and fears quickly arose that clearing bank base rates would rise immediately, probably to 14 per cent, although higher levels were mentioned.

Both main investment areas naturally became extremely uncertain with buyers withdrawing and leaving markets unwilling in the face of nervous selling. Longer-dated Gilt-edged fell 1½ points but found a few adventurous buyers after the official, 3.30 pm, close which left quotations steady at the lower levels. The shorts came under pressure but they, too, were attempting to edge away from the lowest in the late business. Measuring the overall weakness, the FT Government Securities index dropped 0.91 to 63.34, its lowest since July 21 when its 1981 low of 63.12 was recorded.

Leading shares wilted sharply from 3.00 pm onwards and finally sustained double-figure losses. Popular Electricals were the heaviest hit after initially leading equity markets slightly higher on less-than-expected cuts in U.S. defence spending plans. ICI were another to move sharply into reverse as other background influences, such as Wall Street's extended recovery on Friday, were ignored. The FT Industrial Ordinary share index reflected the late depression with a closing fall of 11.5 at 541.9 on the first day of a new trading Account; at the first five calculations, the index had shown marginal improvements ranging to 1.5 at noon.

Insurances on offer

Demand for Traded options improved slightly and 1,132 deals were arranged—well above last week's daily average of 849. The majority of the business was transacted in calls with ICI and Imps recording 217 and 275 trades respectively.

Marine Adventure Sailing Trust made its market debut at 102p compared with the placing price of 100p.

Insurances came on offer and closed with double-figure falls in places. **Sun Alliance** lost 20 to 960p and **Guardian Royal Exchange** 10 to 336p.

The major clearing banks closed a few pence lower. Elsewhere, **Dunbar** found support following an investment recommendation and, in a thin market, advanced 35 to a 1981 peak of 550p.

Breweries finished at the day's lowest. **Whitbread**, 167p, and **Bass**, 226p, fell 8 and 6 respectively, while **Allied** eased 2½ to 73½p. **Boddingtons**, up to 166p in response to favourable comment, closed a net 3 up at 164p. Profit-taking clipped 4½ from Friday's dawn raid candidate **Matthew Clark**, 162p xd, but scattered support was evident for **H. P. Bulmer**, 8 up at 272p.

Special situations were responsible for noteworthy movements in Buildings. **Costain** issues in for support on hopes that the company would be involved in the Channel Tunnel project and the ordinary touched 248p xd before settling a net 6½ up at 244p xd; the deferred closed 4 dearer at 226p, after 232p. **Tunnel "B"** advanced to 510p before finishing 5 firmer on balance at 490p on revived hopes that Rio Tinto-Zinc, which holds a 9 per cent stake in the company, might make an offer; **T. W. Ward**, which holds a 40 per cent stake in Tunnel following an abortive bid, rose 5 to 154p in sympathy. **Westbrick Products**, in receipt of an 87p per share cash bid from C. H. Beazer, reacted 4 to 88p on the announcement that discussions with a third party had been terminated. Elsewhere, **A. Monk** added 5 to 67p on an investment recommendation, while **J. Smart** touched 60p before closing a net 3 up at 58p following Press comment. Demand ahead of next Tuesday's preliminary results left **Barratt Developments** 3 dearer at 255p after 258p. Other leading issues trended lower towards the close, but selling was minimal.

ICI, up 8 at one stage on publicity given to a broker's circular, reacted to close a net 4 off at 274p.

Stores easier late

Leading Stores, standing a penny or two better for most of the session, joined in the general malaise and ended with falls to 7. **Gussies "A"** shed that amount to 448p. Demand in a narrow market lifted **Hiltons** 8 to 104p, while support was also forthcoming for **Currys**, 6 dearer at 198p; the latter's half-timer is expected later this month. **Owen Owen**, interim figures due Thursday week, added 8 to 253p, but profit-taking left **Rowland Gaunt** 5 lower at 75p, while **Grant Bros.**, 175p, gave up 21 of last Friday's jump of 53 which followed news of a bid approach. Dealings in **Lincroft Kilgour**, suspended at 34p in early July, were resumed at 26p before a close of 28p on the announcement that plans to sell off a subsidiary have proved abortive.

Leading Electricals took a distinct turn for the worse in the late dealings, **GEC** ending 13 cheaper at 745p, **Thorn EMI** 10 lower at 448p and **Plessey** 5 off at 344p. Elsewhere, **Berec** rose 4 to 122p awaiting further bid developments, while favourable comment left **Amstrad** 6 firmer at 173p. **BICC** were quoted ex rights at 258p, down 1, with the new shares briskly traded and closing at 37½p premium after extremes of 35p premium and 44p premium. **First Castle** encountered support and gained 7 to 117p along with **Bulgin "A,"** 5 dearer at 28p. **Fidelity**, on the other hand, reacted 4 to 51p after the recent bout of speculative buying. **Electrocomponents** were quoted ex the scrip issue at 155p.

Leading Engineers followed the general late reaction. **GKN**, a shade harder at one stage at 184p, reacted to close 5 cheaper on the day at 177p; the interim figures are due on Thursday. Among the occasional bright spots in secondary issues, **Matthew Hall** moved up 7 to 198p in response to Press comment and **Percy Lane** improved 4 to 60p for a similar reason.

Trending firmer for most of the session, leading Foods came under a certain amount of pressure in the last hour's trading and closed narrowly mixed.

Savoy "A," the subject of traditional option business on Friday, added 4 to a 1981 peak of 204p, while **Brent Walker** revived and firmed 3 to 57p.

Glaxo down

Trending firmer for most of the session, leading miscellaneous industrials turned weak on the signal for higher short-term interest rates. After touching 410p, **Glaxo** ended with a fall of 12 at 394p, while **Pilkington** closed 8 down at 315p and **Boots** 7 lower at 228p. Elsewhere, **Channel Tunnel** were actively traded up to 255p and closed a net 57 up at 225p on hopes that the Chunnel project will materialise. **Gripperrods** responded to better-than-expected preliminary figures with a gain of 14 to 116p, but the sharp fall in mid-term earnings left **Low and Bonar** 4 cheaper at 192p.

Harris and Sheldon firmed 4½ to 53p following news that the buy-out scheme had been approved by shareholders, while **Wolverhampton Steam** closed 5 higher at 50p, after 53p, following the annual meeting. **Change Wares** rallied 7 to 26p after last Friday's bout of nervous selling, but **Standard Industrial** reacted 5 more to 48p on the poor preliminary results. **Whatman Reeve Angel** rose 7 to 185p in response to Press comment and **Vinten** 8 to 352p, while others to reflect favourable mention included **Hestair**, 3 higher at 47p, and **Fobel**, 1½ dearer at 21½p xd. Renewed buying interest lifted **Dyson "A"** 4 more to 49p, but **James Wilkes** eased 2 to 74p on the half-year losses.

KCA below best

Oils failed to escape the late downturn, **BP** ending a few pence cheaper at 298p xd, after 304p, and **Shell** settling at 372p, up 4, after 376p. Comment ahead of Thursday's interim results took **KCA International** up to 140p before a close of 4 higher on the day at 134p, while **KCA Drilling** ended the same amount better at 70p, after 72p.

Among Financials, **S. Pearson** closed a couple of pence higher at 222p, after 225p, following the increased first half profits; **Pearson Longman** ended a penny better at 174p.

Golds advance

Gold shares, both South African and Australian, continued to make the running in mining markets as the bullion price touched $456 an ounce prior to closing a net $1 up at $451.

South African Golds surged ahead for the sixth successive trading day following news that two leading U.S. banks have lowered their prime rates.

Consequently, share prices were marked up sharply at the outset and continued to improve until light American profit-taking took quotations a fraction off the day's best in after-hours trading.

The Gold Mines index showed a gain of 7.7 at 429.0—a rise of 47.2 over the past six trading sessions. Aiding the advance was a continuing shortage of stock and a batch of generally better-than-forecast dividend declarations from the Gencor group, announced after market hours on Friday.

Golds sparked a strong rally in Australians which advanced strongly until the after-hours' trade when fears of higher UK interest rates prompted widespread profit-taking.

Gold Mines of Kalgoorlie were outstanding and jumped 60 to a 1981 high of 560p, while **Poseidon** moved up 25 to 270p, **Central Norseman** 35 to 543p and **North Kalgurli** 3 to 78p, after 81p.

Financials got off to a bright start but faltered later in the day in line with the UK equity market. **Gold Fields** ended 7 cheaper on balance at 528p ahead of today's full-year figures while **RTZ**—interim results are due tomorrow—came under pressure to close a net 8 off at 522p.

FINANCIAL TIMES STOCK INDICES

	Sept. 14	Sept. 11	Sept. 10	Sept. 9	Sept. 8	Sept. 7	A year ago
Government Secs	63.34	64.25	64.05	63.85	63.88	63.90	70.76
Fixed Interest	65.72	65.88	65.75	65.64	65.79	65.80	71.75
Industrial Ord	541.9	553.4	548.6	546.4	551.3	547.9	500.7
Gold Mines	429.0	421.3	415.6	398.8	388.4	385.0	470.2
Ord. Div. Yield	5.57	5.47	5.51	5.51	5.46	5.48	7.35
Earnings, Yld. %(full)	9.66	9.47	9.76	9.83	9.83	9.73	17.33
P/E Ratio (net) (*)	13.25	13.49	12.99	12.73	12.86	13.05	7.03
Total bargains	17,741	17,221	15,803	15,478	16,556	16,269	22,304
Equity turnover £m.	—	146.61	137.17	99.96	139.86	174.65	129.36
Equity bargains	—	15,250	15,038	11,794	11,896	11,912	17,907

10 am 554.3. 11 am 554.4. Noon 554.8. 1 pm 554.3.

2 pm 553.7. 3 pm 552.0.

Latest index 01-246 8026

Nil = 11.80.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (28/3)	63.12 (21/7)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/5)	65.36 (21/7)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	429.0 (14/9)	262.6 (29/6)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Sept. 11	Sept. 10
—Daily		
Gilt Edged Bargains	126.7	131.1
Equities		
Bargains	98.8	84.5
Value	296.3	277.2
5-day Avrge.		
Gilt-Edged Bargains	138.7	140.1
Equities		
Bargains	82.8	78.7
Value	282.3	272.1

NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (93)

AMERICANS (1)
Colt Inds.

CANADIANS (2)
Can. Imp. Bank
Royal Bk. Canada

BANKS (2)
Deutsche Bank
Dunbar Group

BEERS (3)
Boddingtons
Burtonwood
Bulmer (H. P.)

BUILDINGS (8)
Feb. Intnl.
Ruberoid
Do. A
Tilbury Ctng.
Monk (A.)
Tunnel B
Nott. Brick
Warrington

CHEMICALS (4)
Bayer AG
Hoechst
Halstead J.)
Wolstenholme

STORES (2)
Hiltons
House of Lerose

ELECTRICALS (3)
BSR
Telefusion A N/V
Telefusion

ENGINEERING (6)
Acrow
Lane (Percy)
Do. A
Weir Group
Hallite
Whessoe

FOODS (3)
Sinks (Sidney C.)
Tate and Lyle
Faterson (R.)

HOTELS (1)
Savoy A

INDUSTRIALS (17)
Amal. Metal
Hoskins and Horton
BOC Intnl.
Myson Group
Copydex
Nu-Swift
Duraplce
Pentland
Dyson (J. and J.)
Russell (A.)
Do. A
Utd. Gas Inds.
Extel
Whatman Rv. Angl.
Francis Inds.
W'hampton Sm. Ldry.
Harris (P.)

INSURANCE (3)
Howden (A.) Wts.
Willis Faber
Sun Life

LEISURE (1)
Medminster

MOTORS (8)
Lotus Car
Appleyard
Abbey Panels
Bramall (C. D.)
Adams and Gibbon
Gates (F. G.)
Herman Smith
Harrison (T. C.)

NEWSPAPERS (1)
BPM Hldgs.

PAPER (1)
Asscd Paper

PROPERTY (1)
Wereldhave

SOUTH AFRICANS (3)
Greatermans A
SA Breweries
OK Bazaars

TEXTILES (1)
Stroud Riley

TRUSTS (1)
Man & Metropolitan

OVERSEAS TRADERS (1)
Tozer Kemsley

MINES (20)
Durban Deep
Pres. Brand
Grootvlei
St Helena
Kinross
Unisel
Vlakfontein
Anglo American
Buffels.
Gencor
Doornfontein
Gold Fields SA
Hartebeest
Sentrust
Kloof Gold
UC Inv.
Vaal Reefs
Gld. Mn. Kalgoorlie
Venterspost
Western Mining

NEW LOWS (30)

BRITISH FUNDS (10)
Fndg. 5¼pc '87-91
Treas. 15½pc '98
Exch. 13½pc '92
Treas. 11½pc '01-04
Fndg. 6pc '93
Exch. 12½pc '99
Treas. 9pc '92-96
Treas. 8pc '02-06
Red. 3pc '86-96
Treas. 5½pc '08-12

LOANS (1)
FFI (UK Fn) 7¼pcADb. '91-94

BEERS (1)
Scottish Newcastle

BUILDINGS (3)
Brown and Jackson
Vibroplant
Vectis Stone

STORES (2)
Amber Day
Mothercare

ELECTRICALS (2)
Utd. Electronic
Wholesale Fittings

FOODS (1)
FMC

INDUSTRIALS (2)
Christies Intnl.
Kalamazoo

LEISURE (1)
Man Agency Music

PAPER (1)
Wyatt (Woodrow)

SHIPPING (1)
Ocean Transport

TRUSTS (2)
Rosedimond
Lon.Mcnt. 7¼pcCnLn.

OIL AND GAS (2)
Weeks (Bermuda)
Do. Pf. (Aust.)

MINES (1)
North West Mining

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	—	87	5
Corpns., Dom. and Foreign Bonds	8	7	55
Industrials	356	206	808
Financial & Props.	111	50	341
Oils	46	22	34
Plantations	8	—	15
Mines	76	11	81
Others	106	10	86
Totals	711	393	1,425

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
BICC	258xr	− 1	KCA Intnl.	134	+ 4
Barratt Dev.	255	+ 3	Plessey	344	− 5
Channel Tunnel	225	+57	RTZ	522	− 8
GEC	745	−13	Tanks Con.	335	+ 3
G. M. Kalgoorlie	560	+60	Tunnel B	490	+ 5
ICI	274	− 4	W. Mining	330	+16

LAST FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Friday's closing price pence	Day's change	Stock	No. of price changes	Friday's closing price pence	Day's change
Finlan (John)	21	178	+ 9	Bowater	16	242	− 4
Thorn EMI	21	458	+ 6	Clark (M.)	16	172	+38
KCA Intl.	20	130	+10	Burmah Oil	15	115	− 1
Plessey	20	349	—	GEC	15	758	+ 6
BSR	19	75	+11	Guinness Peat.	15	84	− 3
Racal Elec.	18	453	+ 7	RTZ	15	530	− 2
ICI	17	278	+ 2	NCC Energy	14	100	− 3

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept 7	Sept 18	Dec 3	Dec 14
Sept 21	Oct 2	Dec 17	Dec 28
Oct 5	Oct 16	Dec 31	Jan 11

For rate indications see end of Share Information Service

The Option market continued to attract a relatively active business. Calls were arranged in **Premier Oil, FNFC, British Aerospace, Double Eagle, KCA, Rothmans International, Burmah Oil, Sime Darby, Charterhall, New Throgmorton Warrants, Geevor Tin, Manchester Ship Canal, Foster Bros. Clothing, Crest Nicholson, Hoama Gold, Loraine Gold, Dunlop, Chloride, Australian Consolidated Minerals, Southern Pacific Petroleum** and **Culter Guard Bridge**. Puts were done in **Tubes, ICI** and **GKN**, while doubles were completed in **Cons. Gold Fields** and **Woodside**.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Mon., Sept. 14, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Fri. Sept. 11 Index No.	Thurs. Sept. 10 Index No.	Wed. Sept. 9 Index No.	Tues. Sept. 8 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (214)	360.13	−0.7	10.07	4.39	12.22	362.57	359.53	360.68	364.69	293.41
2	Building Materials (25)	320.14	−0.9	14.44	5.34	7.86	322.96	319.96	320.32	320.94	261.93
3	Contracting, Construction (28)	583.19	—	16.27	4.89	7.14	583.22	581.65	579.52	583.71	432.97
4	Electricals (30)	1169.90	−1.0	7.72	2.42	16.16	1181.60	1172.73	1179.87	1203.08	888.21
5	Engineering Contractors (10)	502.68	+0.2	12.71	5.43	9.26	501.62	500.34	510.49	500.45	353.92
6	Mechanical Engineering (69)	206.11	−0.3	11.62	5.50	11.10	206.81	205.32	205.87	207.84	186.38
8	Metals and Metal Forming (13)	170.01	−0.8	9.35	6.99	14.02	171.44	169.11	169.44	171.05	168.97
9	Motors (21)	105.93	−0.5	1.61	6.53	—	106.48	104.25	103.52	103.38	103.27
10	Other Industrial Materials (18)	383.18	−0.5	8.58	5.89	14.40	385.04	380.74	380.88	384.71	0.00
21	CONSUMER GROUP (195)	282.21	−1.1	12.14	5.69	10.19	285.43	284.11	284.07	286.52	248.71
22	Brewers and Distillers (20)	293.01	−2.1	15.25	6.58	7.88	299.27	296.84	299.61	303.21	298.11
25	Food Manufacturing (21)	270.78	+0.2	14.57	6.21	8.28	270.37	269.97	271.09	273.79	224.93
26	Food Retailing (14)	560.15	−0.2	8.78	3.17	13.60	561.46	555.07	561.48	564.57	403.95
27	Health and Household Products (7)	342.62	−2.1	8.09	4.31	14.77	349.81	349.41	349.98	352.91	240.75
29	Leisure (22)	443.08	−1.2	8.99	4.97	13.82	448.41	445.23	444.64	447.87	350.29
32	Newspapers, Publishing (12)	492.22	+0.1	12.19	6.01	11.88	491.71	489.91	488.80	489.99	441.63
33	Packaging and Paper (13)	145.01	+0.2	13.75	7.30	8.72	144.77	145.51	146.18	147.83	129.26
34	Stores (44)	260.48	−1.5	11.09	5.11	12.04	264.36	263.90	264.21	266.74	242.52
35	Textiles (23)	161.12	+0.6	7.23	5.67	19.89	160.22	160.24	160.54	161.40	120.98
36	Tobaccos (3)	265.34	−2.0	19.15	9.41	6.12	270.83	256.38	262.90	261.24	296.87
39	Other Consumer (16)	280.74	+0.1	4.33	6.02	59.83	280.46	282.99	284.07	284.14	0.00
41	OTHER GROUPS (79)	230.25	−0.7	10.88	6.19	11.74	231.82	231.01	227.93	228.47	272.62
42	Chemicals (15)	290.48	−1.1	5.74	6.25	28.58	293.70	291.57	283.04	283.97	312.80
44	Office Equipment (5)	113.35	−1.1	14.60	7.54	8.29	114.57	112.88	112.87	112.87	105.32
45	Shipping and Transport (13)	509.09	−1.5	20.81	7.19	5.72	516.99	515.92	516.99	521.37	595.86
46	Miscellaneous (46)	306.08	+0.2	12.45	5.48	9.70	305.59	306.41	305.27	305.25	283.97
49	INDUSTRIAL GROUP (488)	301.42	−0.9	11.19	5.25	11.08	304.15	302.36	302.62	304.87	261.87
51	Oils (12)	701.35	−1.0	20.68	8.21	5.48	708.28	708.73	709.36	718.05	809.25
59	500 SHARE INDEX	333.88	−0.9	12.75	5.74	9.48	336.95	335.32	335.61	337.75	305.30
61	FINANCIAL GROUP (119)	267.43	−0.9	—	5.63	—	269.93	268.72	268.88	271.49	253.57
62	Banks (6)	272.97	−1.5	32.64	6.87	3.61	277.18	275.57	276.22	277.22	252.83
63	Discount Houses (10)	261.72	−0.5	—	8.66	—	262.93	262.51	264.92	264.92	296.89
64	Hire Purchase (3)	239.08	−0.6	12.81	7.73	10.81	240.56	241.66	244.63	245.72	234.24
65	Insurance (Life) (10)	285.05	−0.3	—	5.46	—	285.94	280.83	280.27	286.08	259.72
66	Insurance (Composite) (9)	175.56	−1.7	—	7.52	—	178.56	178.16	177.19	178.88	181.35
67	Insurance Brokers (8)	440.79	−0.7	10.10	5.35	13.44	443.91	436.40	430.48	432.97	328.55
68	Merchant Banks (13)	163.78	−0.4	—	4.91	—	164.38	164.99	166.20	167.58	147.15
69	Property (50)	476.39	−0.2	4.04	2.97	33.47	477.18	477.57	480.57	487.08	472.53
70	Miscellaneous (10)	179.62	−1.4	17.83	6.21	6.82	182.10	182.07	182.11	182.41	155.22
71	Investment Trusts (109)	316.06	+0.3	—	5.85	—	315.03	313.75	313.96	316.99	277.47
81	Mining Finance (3)	264.28	−1.4	13.32	5.17	8.84	267.91	268.48	266.16	269.31	262.28
91	Overseas Traders (19)	435.39	+0.2	10.71	6.83	11.91	434.44	434.25	435.82	437.32	450.05
99	ALL-SHARE INDEX (750)	321.04	−0.8	—	5.69	—	323.71	322.28	322.46	324.82	296.39

FIXED INTEREST

	PRICE INDICES	Mon. Sept. 14	Day's change %	Fri. Sept. 11	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	106.48	−0.57	107.09	—	7.82
2	5-15 years	102.23	−1.43	103.72	—	8.72
3	Over 15 years	102.57	−1.57	104.21	—	10.34
4	Irredeemables	112.16	−1.33	113.67	—	9.85
5	All Stocks	103.45	−1.19	104.69	—	8.88
6	Debentures & Loans	80.47	+0.04	80.85	0.73	8.41
7	Preference	61.88	+0.18	62.17	0.41	5.80

	AVERAGE GROSS REDEMPTION YIELDS		Mon. Sept. 14	Fri. Sept. 11	Year ago (approx.)
	British Government				
1	Low	5 years	12.77	12.54	11.58
2	Coupons	15 years	13.56	13.34	11.58
3		25 years	13.82	13.56	11.58
4	Medium	5 years	15.10	14.77	12.88
5	Coupons	15 years	15.55	15.28	13.13
6		25 years	15.11	14.86	12.91
7	High	5 years	15.05	14.71	13.05
8	Coupons	15 years	15.72	15.45	13.41
9		25 years	15.32	15.08	13.07
10	Irredeemables†		13.29	13.11	11.16
11	Debs & Loans	5 years	16.02	15.88	14.00
12		15 years	16.02	16.04	13.86
13		25 years	16.02	16.09	13.71
14	Preference†		15.87	15.82	14.48

† Flat yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 26½p.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price p	+ or −	Div. p. or Amount	Times covered	Gross yield	P.E. ratio
153	F.P.	21/8	172	150	✱Aerospace Eng.	150	......	bd7.5	1.4	7.1	15.9
§52	F.P.	24/9	99	75	✱Fleet St. Letter. 5p.	99	+8	u2.5	1.9	3.8	19.5
—	F.P.	14/8	8	6	✱Hartons 5p	8	......	—	—	—	—
25	F.P.	18/9	28	26½	JapanAssetsTrust 10p	27	+½	—	—	—	—
52	F.P.	2/10	56½	55	Jeavons Eng.	56	......	b3.75	1.7	9.6	7.5
§100	F.P.	—	102	101	MarineAdv.SailTs'. £1	102	......	—	—	—	—
§130	F.P.	1/10	136	132	✱Markheath 54.8%Pfd.	136	......	13.65	1.6	14.3	—
‖	F.P.	20/8	125	105	✱Newcourt Oil	105	......	—		—	—
—	F.P.	—	180	180	Nippon Electric	180	......	Q325%	2.9	0.9	68.7
—	F.P.	18/9	14	10	Stewart Ent. Warrs.	12	......	—	—	—	—
82	F.P.	28/8	120	114	St'ckhold'rsF.E.Inv $1	114	......	—	—	—	—
66	F.P.	7/9	86	75	✱Thorpac	86	......	b1.82	3.7	3.0	11.6
100	F.P.	15/7	104	88	Utd.Comp.&Tech. 50p	99	......	—		—	—
§15	F.P.	25/9	17½	13½	✱WillaireSystems 10p	13½	−1½	—	—	—	—
¶¶	F.P.	11/9	15	10	Do. Rest. Div. 10p	10xr	−2	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price £	+ or −
¶¶	F.P.	—	127	120	Amal Dist. Products 10 Cv. Ln. ,97	122	......
100	£40	20/10	38⅞	38¼	Birmingham Drop-Lock '86/93	38⅞	+⅛
100‖	F.P.	7/8	112¼	97½	Chloride 7½% Conv. Prf.	100	......
¶	F.P.	24/9	100½	99⅞	East Surrey Water 10% Prf. 1986.	101	......
100‖	F.P.	28/8	113	104	Hanson Trust 9½% Cv. Uns. Ln. 2000-6	112	+2
98½	£25	12/11	25¾	24½	Inco 15¾% Uns Ln. 2006	25	......
100‖	F.P.	12/8	124½	110½	Jones (Edward) 15% Cnv. Uns. Ln. '96-98	113	......
¶97	£10	4/9	110	93	Mid-Kent Water 9% Red. Prf. 1987	93	......
‖	F.P.	17/7	104¼	95	Mount Charlotte 9½% Cnv. Ln. 1995-2000	96	......
§100	F.P.	—	100⅛	100	Nat'wide Bdg Society 14⅞%Bds(28/6/82)	100⅛	......
100‖	F.P.	23/7	179	101	Prop. Hldg. & Inv. Tst. 8¾% Cnv. Ln.	101	......
¶¶	F.P.	21/9	95p	82½p	Sterling Credit 3.5% Cnv. Red. Pref.	84p	......
100‖	F.P.	11/8	100⅛p	70p	'W' Ribbons 10% Cum. Red. Prf. '95-96.	70p	−8
¶100	F.P.	24/9	101½	100½	York Waterworks 10% Red. Pref. '85	101½	......

"RIGHTS" OFFERS

Issue price p	Am'unt paid up	Latest Renunc. date ●	Latest Renunc. date ▨	1981 High	1981 Low	Stock	Closing price p	+ or −
22	F.P.	31/7	11/9	24	22½	A.I.D.	23½	......
60	Nil	—	—	24pm	15pm	Amal. Dist. Products	17pm	+5
10	Nil	—	—	3½pm	3pm	Astra Ind.	3pm	......
225	Nil	—	—	44pm	35pm	BICC	37½pm	......
275	125p	13/7	2/12	182	130	BP	154	+2
42	F.P.	30/8	17/9	53	50	Buckley's Brewery	53	......
808	Nil	16/9	14/10	3pm	1pm	Drayton Far East'n (Units)†.	1½pm	......
11	F.P.	28/8	30/9	13	10½	Gartons	10½	......
62	F.P.	11/9	7/10	74½	69	H.A.T. Group	72	......
12½	Nil	9/10	18/9	18pm	11pm	Jantar	11pm	−1
131	F.P.	28/8	25/9	178	156	Ladbroke	164	......
110	F.P.	7/9	19/10	135½	116	Laird Grp.	130	−1
35	F.P.	21/8	2/10	60	41	Lane (Percy)	58	+5
107	Nil	—	—	14pm	7pm	Morgan Crucible	7pm	......
77	F.P.	20/8	25/9	92	81	Moss Engineering	88	......
160‖	F.P.	9/7	12/8	203	185	New Court Nat.Res. Units	202	......
A51	P.P.	—	—	196	126	Pancontinental	136	......
85	Nil	—	—	74pm	67pm	Property Sec. Inv. rt.	68pm	−1
13pm	Nil	—	—	13pm	9pm	Trusthouse Forte	13pm	+1
360p	F.P.	9/9	9/10	550	486	Utd. Scientific	500	+8
15	F.P.	11/9	25/9	17½	14½	✱Willaire Systems	14½	......

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. *F* Dividend and yield based on prospectus or other official estimate for 1981. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ▨ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✱ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Comprising 8 Ordinary and 3 Warrants.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Clive Investments (Jersey) Ltd.
P.O. Box 86, St. Peter Port, Guernsey. 0481 26521
C. H. Gilt Growth Fd.* 9.34 9.74 ...... 3.59
Clive Gilt Fd. (C.I.) 7.88 8.22 ...... 16.06
*Prices on September 10. Next dealing September 17.

Cornhill Ins. (Guernsey) Ltd.
P.O. Box 157, St. Peter Port, Guernsey
Intnl. Man. Fd. 255.5 278.0 ...... —

Cortexa International
10a, Boulevard Royal, Luxembourg.
Cortexa Intnl. US$93.07 — +1.21 —

Craigmount Fixed Int. Mngrs. (Jersey)
P.O. Box 195, St. Helier, Jersey. 0534 27561
Gilt Fund (Jsy.) 87.1 87.2 ...... 15.45
Valued weekly Wednesday.

DWS Deutsche Ges. F. Wertpapiersp
Grueneburgweg 113, 6000 Frankfurt
Investa DM33.59 35.30 +0.20 —

Delta Group
P.O. Box 3012, Nassau, Bahamas
Delt. Inv. Sept. 11 $3.56 3.74 ...... —
London Agents: Kleinwort Benson. Tel: 01-623 8000

Deutscher Investment-Trust
Postfach 2685 Biebergasse 6-10 6000 Frankfurt
Concentra DM17.65 18.09 +0.10 —
Int. Rentenfonds DM60.26 61.77 ...... —

Dreyfus Intercontinental Inv. Fd.
P.O. Box N3712, Nassau, Bahamas.
NAV Sept. 1 US$32.01 34.05 ...... —

Duncan Lawrie Inv. Mgt. (Jersey)
15-17, New St., St. Helier, Jersey 0534 73637

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Am. Gth. Tst.	65.6	70.5	+1.2	2.06
Abbey Capital	51.6	55.0	+0.4	4.36
Abbey General	61.2	64.2	+0.5	4.64
Abbey Gilt & F.I. 1st.	96.5	101.6xd	−0.3	12.99
Abbey Income	39.0	41.7	+0.1	8.51
Abbey W'wide Bd. Tst.	102.2	102.1	+1.9	6.20
Abbey Inv. Ts. Fd.	55.8	60.3xd	+0.1	3.58
Equitas Prog. Tst.	88.7	95.9	+0.7	4.26

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	82.7	87.0	−0.4	13.32

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	94.4	101.0xd	+0.7	5.18
Brit. Inds. Fund	80.9	86.4	+0.6	5.09
Growth & Income	55.7	59.6	+0.6	4.19
Elect. & Ind. Dev.	49.6	53.1	+0.5	4.52
Allied Capital	106.3	113.7	+0.9	3.87
Hambro Fund	142.4	152.4	+1.1	5.26
Hambro Acc. Fund	202.2	216.3	+1.3	3.79
Income Funds				
High Yield Fd.	67.9	72.6xd	.....	8.26
High Income	84.8	90.7xd	+0.5	7.86
Equity Income Fd.	49.1	52.5	+0.3	7.65
Govt. Secs.	23.7	24.3	−0.2	12.76
International Funds				
International	38.9	41.6	+0.3	2.04
Japan Fund	31.0	33.3	+0.5	0.49
Pacific Fund	77.4	82.8	+1.1	1.26
Secs. Of America	89.9	96.2	+2.4	2.49
Specialist Funds				
Smaller Co.'s Fd.	60.2	64.4	.....	3.66
2nd Smlr. Co's Fd.	74.6	79.8xd	+0.1	3.67
Recovery	29.7	31.8	+0.4	4.43
Met. Min. & C'dty.	69.8	74.7	+0.3	4.91
Overseas Earnings	61.3	79.0	+0.7	4.71
Exempt Funds				
Income Exempt	53.9	56.6	+0.1	8.04
Far East Exempt	85.4	86.7	+0.8	1.29
Smaller Co. Exempt	101.8	106.1	+0.2	3.72
U.S.A. Exempt	140.8	146.6xd	+3.3	2.53

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	72.6	78.0	−0.2	3.15

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-726 4931

Inc. Monthly Fund	163.0	173.0xd	.....	9.96
Leics. & Gen. Fd.	55.5	58.5	.....	6.82

Anthony Wieler Unit Tst. Mgmt. Ltd.
19, Widegate St., London, E1 7HP. 01-247 8827

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	35.3	38.6	+0.2	11.78
North American	66.6	72.0xd	+1.9	2.94
Canadian Exempt*	77.3	81.8	.....	2.81
Canadian Trust	67.9	73.6	.....	2.02
Mid Mount High Inc.*	44.7	47.5	.....	10.18
Recovery	56.7	62.3	+0.3	6.92
Gilt Trust	39.3	41.2xd	−0.2	14.07

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	44.7	48.2	+1.3	0.52
Cres. Internat'l.	94.8	102.3	+1.7	1.47
Cres. High. Dist.	45.1	48.7	+0.6	9.24
Cres. Reserves	53.8	58.1	+0.3	5.16
Cres. Tokyo	41.7	45.0xd	+0.6	0.25

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Ts.	23.1	24.8	.....	7.09

Discretionary Unit Fund Managers
36/38 New Broad St., EC2M 1NU. 01-638 4485

Disc. Inc. Sept. 11	257.8	275.0	.....	4.75

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	18.8	21.9xd	.....	8.30
Gt. Winchester O'seas	30.8	34.2xd	.....	3.49

For Emson and Dudley see Robert Fraser Tst. Mngmt.

Equity & Law Un. Tr. M. (a) (b) (c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	98.2	103.3	+1.1	4.27

Fidelity International Management Ltd.
62-63 Queen St., London EC4 1AD 01-248 4891

American	37.8	42.9	+0.7	0.97
Amer'l Spec. Sits.	23.1	32.6	+0.9	0.02
Gilt & Fixed Int.	32.8	33.9	−0.1	13.34
Growth & Income	23.5	28.2	+0.3	6.73
Max. Inc. Eq. Tst.	20.1	32.4xd	+0.1	8.46
Special Sits.	42.4	45.6xd	+0.2	1.18

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	39.2	42.1	.....	1.30
Accum. Units	48.7	52.4	.....	1.30
J. Finlay High Income	57.9	60.7	.....	8.76
Finlay Wld. Energy	19.2	20.7	+0.3	1.29
Accum. Units	24.9	26.8	+0.4	1.29
J. Finlay Fd. in. Tst.	42.6	45.8	.....	4.03
Accum. Units	55.2	59.3	.....	4.05

Prices on Sept. 2. Next dealing Sept. 9.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

Amer. & Gen.	92.2	99.6xd	+2.4	0.90
Am. T'around	85.0	90.4	+1.8	1.61
(Accum. Units)	85.0	90.8	+1.8	1.61
Capital Tst.	68.2	72.8	+0.2	4.58
(Accum. Units)	72.0	76.8	+0.2	4.58
Convertible & Gilt	47.8	50.2	−0.2	10.12
(Accum. Units)	48.8	51.2	−0.2	10.12
Extra Income Trust	54.6	58.2	+0.6	8.59
Income Tst.	45.8	48.8	+0.8	6.61
Int. Growth Fd.	73.6	78.2	+1.2	1.13
(Accum. Units)	79.4	84.8	+1.4	1.13

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114

Equity Accum. (2)	273.8	288.2	.....	3.77

Local Authorities' Mutual Invest. Tst.*
77, London Wall, EC2N 1DB. 01-588 1815

Property Fd. Aug. 31	158.90		.....	6.83
Wider Fund Aug. 31	296.75		.....	4.76
Narrower Fd. Aug. 31	72.20		.....	14.14

*Unauthorised. Available only to Local Authorities.

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588

Schroder Unit Trust Managers Ltd.
48, St. Martins Lane, WC2. Dealings 0705 27733

Scottish Amicable Inv. Mngrs. Ltd.
150 St. Vincent St., Glasgow 041-221 8844

Equity Trust Accum.	107.3	115.8	+0.9	4.97

Scottish Equitable Fund Mgrs. Ltd.
28 St. Andrews Sq., Edinburgh 031-556 9101

Income Units	68.5	72.9	.....	4.90
Accum. Units	88.5	94.2	.....	4.90

Dealing day Wednesday.

For Sebag see Carr, Sebag Unit Trust Managers.

For Security Selection see McAnally Fund Management.

Scottish Widows' Fund Management
P.O. Box 902, Edinburgh EH16 5BU 031-655 6000

Pegasus Tst. Sept. 11	91.6	98.4	+0.3	—

SIMCO Money Funds
66, Cannon Street, EC4N 6AE 01-236 1425

SIMCO Call Fund†	100.0	—	.....	12.34
SIMCO 7-Day Fund†	100.0	—	.....	12.88

†Unauthorised—Cash Deposit Funds.

Stewart Unit Tst. Managers Ltd.(a)
45, Charlotte Sq., Edinburgh. 031-226 3271

Sun Alliance Fund Mangt. Ltd.
Sun Alliance Hse., Horsham. 0403 64141

Ex. Eq. Sept. 9	£342.80	360.90	.....	4.32
The Family Fund	145.8	155.1	+2.1	4.16

Swiss Life Pen. Tst. Man. Co. Ltd.(a)(c)
9-12 Cheapside, London, EC2V 6AL. 01-236 3841

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4R 9BH 01-623 1050

Minster Sept 14	46.6	48.6	−0.6	7.29
Exempt Aug. 28	127.2	131.2	.....	7.49

MLA Unit Trust Mngmt. Ltd.
Old Queen Street, SW1A 9JG. 01-222 8177

MLA Units	94.0	98.6	.....	3.84

Murray Johnstone U.T. Mgmt. (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521

Murray European	63.1	68.2	.....	2.08
Murray Smlr. Cos. Fd.	76.0	82.7	.....	2.26

Dealing Day Friday.

Mutual Unit Trust Managers (a)(g)
Broad St. Ave., Blomfield St., EC2. 01-638 3911-2

Mutual Sec. Plus	53.7	57.7	+0.3	7.16
Mutual Inc. Tst.	80.5	85.5	+0.4	7.54
Mutual Blue Chip	51.0	55.0xd	+0.3	7.10
Mutual High Yld.	58.9	62.3	+0.4	9.11

National Provident Inv. Mngrs. Ltd.
48, Gracechurch St., EC3P 3HH. 01-623 4200

National Westminster (a)
161, Cheapside, EC2V 6EU. 01-606 6060

NEL Trust Managers Ltd. (a) (g)

Northgate Unit Trust Managers Ltd. (c)(y)
20, Moorgate, EC2R 6AQ 01-606 4477

Northgate Sept. 10	115.5	122.9	.....	4.49
(Accum. Units)	122.9	130.8	.....	4.49

Norwich Union Insurance Group (b)
P.O. Box 4, Norwich, NR1 3NG. 0603 22200

Group Tst. Fund	496.0	522.1	+3.7	4.95

Pearl Trust Managers Ltd. (a)(g)(z)
252, High Holborn, WC1V 7EB. 01-405 8441

Pelican Units Admin. Ltd. (g)(x)
57-63, Princess St., Manchester. 061-236 5685

Pelican Units	135.3	145.5	+0.4	4.93

Perpetual Unit Trust Mngmt. (a)
48, Hart St., Henley on Thames 04912 6868

Practical Invest. Co. Ltd. (y)(c)
44, Bloomsbury Sq., WC1A 2RA 01-623 8893

Practical Sept. 9	221.0	234.2	.....	4.55
Accum. Units	346.3	366.9	.....	4.55

Provincial Life Inv. Co. Ltd.
222, Bishopsgate, EC2. 01-247 6533

Prudl. Portfolio Mngrs. Ltd. (a) (b) (c)
Holborn Bars, EC1N 2NH. 01-405 9222

Quilter Management Co. Ltd.
The Stock Exchange, EC2N 1HP. 01-600 4177

TSB Unit Trusts (b) (c) (y)
PO Box 3, Keens Hse, Andover, Hants, SP10 1PG.
0264 62188. Dealings to 0264 63432-3

Ulster Bank (a)
Waring Street, Belfast. 0232 35231

(b)Ulster Growth	42.4	45.5xd	+0.4	5.63

Unit Trust Account & Mgmt. Ltd.
Regis Hse. King William St., EC4R 9AR 01-623 4951

Friars Hse. Fund	61.1	65.3	−1.0	4.60

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.
1-3 St. Paul's Churchyard, EC4. 01-248 9111

Albany Life Assurance Co. Ltd.
31, Old Burlington St., W.1. 01-437 5962

AMEV Life Assurance Ltd.
2-6, Prince of Wales Rd., B'mouth. 0202 762122

Barclays Life Assur. Co. Ltd.
252 Romford Rd., E7. 01-534 5544

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Capital Life Assurance
Coniston House, Chapel Ash W'ton. 0902 28511

Charterhouse Magna Gp.
Stephenson Hse., Brunel Centre, Bletchley, Milton Keynes. 0908 641272

Chieftain Assurance Funds
11 New Street, EC2M 4TP. 01-283 3933

City of Westminster Assurance
Ashton House, 499, Silbury Boulevard, Milton Keynes, MK9 2LA. 0908-606101

Crusader Insurance PLC
Tower Hse, 38 Trinity Sq, EC3N 4DJ 488 2323

Growth Prop. Sept. 7	100.2	111.7	.....	—

Eagle Star Insur./Midland Assur.
1, Threadneedle St., EC2. 01-588 1212

Eagle/Mid. Units	74.9	77.7	+0.4	5.99

Equity & Law Life Ass. Soc. Ltd.
Amersham Road, High Wycombe. 0494 33377

Equity & Law (Managed Funds) Ltd.
Amersham Road, High Wycombe. 0494 33377

Prices at Sept. 10. Next settlement Oct. 16.
Group Pension Funds—Prices Available On Request.

Family Assurance Society
(See Planned Savings Group)

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	129.6	136.5	.....	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1016

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101

Hambro Life Assurance Limited
7 Old Park Lane, London, W1 01-499 0031

Hill Samuel Life Assur. Ltd.
NLA Twr., Addiscombe Rd., Croy. 01-686 4355

Imperial Life Ass. Co. of Canada
Imperial House, Guildford. 71255

Growth Fd. Sept. 11	109.2	118.7	.....	—
Pen. Man. Fd. Sept. 11	100.3	109.0	.....	—

Irish Life Assurance Co. Ltd.
Basildon House, 7/11 Moorgate, EC2. 01-606 8401

King & Shaxson Ltd.
52 Cornhill, EC3. 01-623 5433

Bond Fd. Exempt	£77.74	79.38	−1.15	—

Langham Life Assur. Co. Ltd.
Langham Hse., Holmbrook Dr., NW4. 01-203 5211

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

London Life Linked Assur. Ltd.
81 King William St., EC4N 7BD. 01-626 0511

The London & Manchester Ass. Gp.
Winslade Park, Exeter. 0392 52155

M & G Group
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588.

Manufacturers Life Insurance Co.
St. George's Way, Stevenage. 0438 56101

Merchant Investors Assurance
Leon House, 233 High St., Croydon 01-686 9171

NEL Pensions Ltd.
Milton Court, Dorking, Surrey. 5911

Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG. 0603 22200

Managed Fund	291.4	306.7	+0.4	—
Equity Fund	506.0	532.6	+3.2	—
Property Fund	197.0	207.3	.....	—
Fixed Int. Fund	169.7	178.6	−1.0	—
Deposit Fund	139.3	146.6	.....	—
Nor. Units Aug. 15	303.4		.....	—

Phoenix Assurance Co. Ltd.
4-5 King William St., EC4P 4HR. 01-626 9876

Wealth Ass.	171.5	180.6	.....	—
Eb'r. Ph.Eq.E.	128.4	136.0	.....	—

Pioneer Mutual Insurance Co. Ltd.
16, Crosby Rd., N. Waterloo, L'pool 051-928 6655

Pioneer Mtl. Md. Fd.	95.6	101.2	.....	—

Planned Savings Group
25 Worship St., London, EC2A 2AB. 01-920 0661

Premium Life Assurance Co. Ltd.
Eastchester Hse., Haywards Heath 0444 58721

Prop. Equity & Life Ass. Co.
42 Houndsditch, London EC3A 7AY 01-621 1124

R. Silk Prop. Bond	234.3	.....	—
Do. Equity Bond	106.5	.....	—
Flex Money Bond	155.1	.....	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Prop. Growth Pensions & Annuities Ltd.

Sun Alliance Insurance Group
Sun Alliance House, Horsham. 0403 64141

Sun Life of Canada (UK) Ltd.
2, 3, 4, Cockspur St., SW1Y 5BH 01-930 5400

Sun Life Unit Assurance Ltd.
107, Cheapside, London, EC2V 6DU. 0272-299 524

Sun Life Pensions Management Ltd.
(Funds for individual pension contracts)

Target Life Assurance Co. Ltd.
Target House, Gatehouse Road, Aylesbury, Bucks. Aylesbury (0296) 5941

Transinternational Life Ins. Co. Ltd.
2 Bream's Bldgs., EC4A 1NU. 01-405 6497

Trident Life Assurance Co. Ltd.
London Road, Gloucester. 0452 36541

OFFSHORE & OVERSEAS FUNDS

Brown Shipley Tst. Co. (Jersey) Ltd.
P.O. Box 583, St. Helier, Jersey. 0534 74777

Stlg. Bd. Fd. (h)	£8.48	8.52xd	−0.08	14.99
Sterling Cap. Fd. 1(a)	£13.06	13.07xd	.....	—

Butterfield Management Co. Ltd.
P.O. Box 195, Hamilton, Bermuda.

Buttress Equity	US$4.63	4.90	.....	1.10
Buttress Income	2.07	2.15	.....	10.65

Prices at Sept. 7. Next sub. day Oct. 5.

CAL Investments (IoM) Ltd.
16, St. Georges St., Douglas, IOM. 0624 25031

CAL Cmdty. & Crncy.	1.132	1.192	.....	—

Next valuation day Sept. 21.

Capfirex S.A.
P.O. Box 178, 1211 Geneva 12, 010 4122 466288

Forselex	SF154.30	165.90	−7.30	2.10
Bondselex	SF111.55	117.20	.....	—

Capital Asset Managers Ltd.
Bermuda Hse, St. Julians Ave, St. Peter Port, Guernsey C.I. 0481 26268

The Currency Trust	115.0	120.0	.....	—

Capital International Fund S.A.
43, Boulevard Royal, Luxembourg

Capital Int. Fund	US$25.64	.....	—

Central Assets Management Ltd.
Channel Hse., St. Helier, Jersey. 0534-73673

Central Assets	£198.67	198.71	+0.21	—

Charterhouse Japhet
1 Paternoster Row, EC4 01-248 3999

Emperor Fund*	$8.02	8.42	.....	—
Hispano	$45.16	47.48	.....	6.05

*Prices at Aug. 31. Next sub. day Oct. 1.

Chieftain Commodities (Isle of Man) Ltd.
29, Athol Street, Douglas, I.o.M. 0624 21724

Normandy Metal Trust	1.3922	1.4654	.....	4.00
Normandy Com. Tst.	1.3083	1.3771	.....	4.88

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99 13/32	99⅛	Treas. Variable '81§§	99¼	−1/32	13.74	14.04
100 1/16	99⅝	Exch. 12¾pc 1981‡‡	99 13/16	−1/32	12.79	13.85
98 1/16	95 13/16	Treas. 8½pc '80-82‡‡	98⅛	−1/16	8.66	14.06
96⅝	91⅞	Treasury 3pc '82‡‡	96⅝	......	3.11	12.02
107	99¾	Treasury 14pc '82‡‡	100¼xd	−1/16	13.97	13.58
99 11/16	98 3/16	Treas. Variable '82§§	99 11/16	......	13.75	14.00
96 3/16	93 15/16	Treasury 8¼pc '82	95⅞	−⅛	8.60	13.73
96⅜	93 13/16	Exch. 9¼pc 1982	95⅝xd	−⅛	9.67	14.82
95¼	92⅝	Exch. 8¾pc 1983	94⅞	−⅛	9.22	13.04
92¼	84⅞	Exch. 3pc 1983	91⅝	−⅛	3.27	9.35
99⅞	95⅞	Treasury 12pc 1983‡‡	97¼xd	−⅛	12.34	14.13
99½	96¼	Treas. Variable '83§§	99½	......	13.78	13.98
94⅛	91⅛	Treasury 9½pc '83	92⅝	−¼	9.96	13.70
101 13/16	97⅞	Exch. 13½pc '83	98⅛	−¼	13.76	14.43
94⅛	91¼	Exch. 10pc 1983	92	−¼	10.87	14.22
88	84½	Funding 5½pc '82-84‡‡	87¼	−¼	6.30	11.88
96¼	92⅞	Exch. 11¼pc 1984	93¼	−¼	12.06	14.59
103⅞	98¼	Exchequer 14pc 1984	98⅞	−⅜	14.23	14.68
82⅞	78½	Exch. 3pc 1984	81	−⅛	3.70	11.17
98⅜	92¾	Treasury 12pc 1984	93⅝xd	−¼	12.82	14.70
107¼	100⅞	Treasury 15pc 1985	101	−⅜	14.85	14.59
98⅞	91⅝	Exch. 12pc Cnv. '85	92¼xd	−⅜	13.01	14.93
76	73¼	Treasury 3pc 1985	74⅝	−⅛	4.02	11.67
96 5/16	89⅞	Treasury 11½pc 1985●	89⅞	−1	12.80	15.04
98⅞	91⅛	Exch. 12¼pc 1985	91¼	−1	13.35	14.92
97⅛	89¾	Exch. 11¾pc '86	90	−1	13.06	14.86
70 3/16	68	Treasury 3pc 1986	69⅜	......	4.32	11.68
97 13/16	90	Treasury 12pc '86	90	−1	13.33	14.99
88⅞	81¼	Treasury 8¾pc '84-86‡‡	82	−⅛	10.37	13.78

Five to Fifteen Years

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
103⅞	94¼	Exch. 13¼pc 1987	97¼	−1	13.91	14.51
81¾	75	Funding 6½pc '85-87‡‡	76⅞	−1	8.73	13.04
99½	89¼	Treas. 12pc 1987	92⅝	−⅞	13.60	14.97
81⅛	74⅜	Treasury 7¾pc '85-88‡‡	76	−1	10.34	13.77
65½	59⅛	Transport 3pc '78-88	61½	−1	4.92	11.43
92¼	80½	Treasury 11½pc 1989	82⅜	−1⅛	14.02	15.66
67¼	61⅛	Treasury 5pc '86-89	62½xd	−1⅛	7.99	12.50
101½	88⅝	Treasury 13pc 1990‡‡	92⅞	−1¼	14.33	14.96
95 3/16	84⅜	Exch. 12½pc 1990	84¾xd	−1¼	14.70	15.78
80⅞	72⅝	Treasury 8¼pc '87-90‡‡	73⅞	−1	11.49	13.91
93⅛	80¾	Treasury 11¾pc 1991	82¼	−1⅛	14.57	15.76
66¾	59⅝	Funding 5¾pc '87-91‡‡	59⅝xd	−⅞	9.59	13.27
90	78¾	Exch. 11pc 1991	80⅞	−1¼	14.36	15.68
98⅞	85¼	Treasury 12¾pc '92‡‡	87⅛	−1⅜	14.96	15.65
82⅞	71½	Treasury 10pc 1992	73⅛	−1⅛	13.80	15.36
94⅜	80⅝	Exch. 12¼pc '92	82½	−1⅜	14.97	15.79
101⅓	87⅝	Exchequer 13½pc '92	87⅝xd	−1¼	15.36	15.86
96¼	83¾	Treasury 12½pc '93‡‡	85¼	−1⅜	15.04	15.65
63⅞	56⅜	Funding 6pc 1993‡‡	56⅜xd	−1	10.65	13.41
105¼	91⅛	Treasury 13¾pc 1993‡‡	93¼	−1⅜	15.46	15.79
107¼	92⅞	Treasury 14½pc '94‡‡	95⅞	−1⅜	15.53	15.74
104¼	90⅛	Exchequer 13½pc 1994	92¼	−1¼	15.51	15.89
95⅛	81½	Exch. 12½pc 1994	83	−1⅜	15.21	15.75
79¼	68⅞	Treasury 9pc '94‡‡	70	−1⅛	13.42	14.72
92⅞	79½	Treasury 12pc '95	81¼	−1⅜	15.08	15.67
51¾	45⅛	Gas 3pc '90/95	45¼	−½	6.79	11.01
83	71¼	Exch. 10¼pc 1995	72⅝	−1	14.42	15.33
100⅛	86¼	Treasury 12¾pc '95‡‡	88¼	−1⅜	15.18	15.56
104⅞	89¾	Treas. 14pc '96	91⅞	−1⅜	15.99	15.79
76¾	66⅛	Treasury 9pc '92/96‡‡	66⅛xd	−1	13.61	14.72
115⅝	99⅝	Treasury 15¼pc '96‡‡	102⅝	−1⅜	15.76	15.80
103½	88⅞	Exchequer 13¼pc '96‡‡	91¼	−1⅜	15.26	15.54

Over Fifteen Years

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100¾	92¼	Treas. 2pc I.L. '96★★	94	−½	2.35	2.71
50¼	44¼	Redemption 3pc 1986-96	44¼xd	−½	6.75	10.39
101¼	86⅝	Treasury 13¼pc '97‡‡	88⅜	−1⅜	15.27	15.51
83⅞	71⅝	Exchequer 10½pc 1997	72⅞	−1⅛	14.55	15.21
74¼	64⅜	Treasury 8¾pc 1997‡‡	64⅞	−⅞	13.55	14.50
65⅝	55⅞	Treasury 6¾pc '95-98‡‡	57	−1⅛	12.39	13.78
114½	98¼	Treas. 15½pc '98‡‡	98¼xd	−1½	15.67	15.70
95⅛	80⅝	Exch. 12pc 1998	82⅞	−1⅜	15.19	15.50
79⅜	68⅛	Treasury 9½pc 1999‡‡	69⅜	−1⅛	14.01	14.65
94	80	Exch. 12¼pc 1999	80xd	−1⅛	15.24	15.56
86¼	73½	Treasury 10½pc 1999	75¼	−1⅛	14.61	15.08
100	84⅝	Treas. 13pc 2000	86¾	−1⅛	15.38	15.54
107¾	92⅛	Treas. 14pc '98-01	94⅜	−1⅜	15.56	15.64
93¼	78¾	Exch. 12pc '99-02	80⅝	−1⅜	15.20	15.38
104⅜	88½	Treas. 13¾pc 2000-03	90½	−1½	15.52	15.59
90	76⅝	Treasury 11½pc '01-04	76⅝xd	−1⅜	14.98	15.17
41⅛	34⅝	Funding 3½pc '99-04	35⅜	−½	10.06	11.80
99¼	84⅛	Treasury 12½pc '03-05	86¼	−1¼	15.19	15.26
91½	86⅜	Treas. 2pc IL★★	91	−½	2.34	2.53
68¾	58⅞	Treasury 8pc '02-06‡‡	58⅞xd	−1⅛	13.48	13.84
92½	77⅝	Treasury 11¾pc 03-07	79¾	−1¼	15.06	15.15
103⅜	88½	Treas. 13½pc '04-08	88½xd	−1	15.22	15.28
50⅝	43⅜	Treasury 5½pc '08-12‡‡	43⅜xd	−1⅛	12.78	13.04
66¾	57⅛	Treasury 7¾pc '12-15‡‡	58	−1⅛	13.61	13.71
98⅛	83¼	Exch. 12pc '13-'17	85⅛	−1⅜	14.63	14.63

Undated

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
33¾	28½	Consols 4pc	29	−⅜	14.03	—
32¼	27⅜	War Loan 3½pc‡‡	27⅜	−⅜	13.28	—
37⅝	32⅛	Conv. 3½pc '61 Aft.	32¼xd	−⅜	10.80	—
25	21⅛	Treasury 3pc 66 Aft.	21⅛xd	−¼	14.09	—
21⅛	18⅛	Consols 2½pc	18¼xd	−¼	13.59	—
21	17¾	Treasury 2½pc	17¾xd	−¼	14.00	—

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99⅝	95	Finland 14½pc Ln 1986	96	......	15.10	15.74
92¼	87	Int. Bank 5pc '77/82	92¼	......	5.42	14.09
99 13/16	94¾	Do. 13½pc Ln 1986	95	......	14.21	15.02
100 3/16	93	Sweden 13½pc 1986	93¾	......	14.40	15.47

CORPORATION LOANS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
93½	87½	Bath 11¼pc 1985	88¾	......	12.68	14.95
98	92¼	Birm'ham 12½pc 1985	93	−¼	13.44	14.97
102	91¾	Burnley 13pc 1987	94¾	......	14.25	15.33
95½	87	Cardiff 11pc 1986	90	......	12.81	15.03
100¼	98¼	G.L.C. 12½pc '82	98¾	......	12.66	14.33
99	95¾	Do. 12½pc 1983	96½	......	12.96	14.64
95⅝	92½	Glasgow 9¼pc '80-82	94⅝	......	9.78	14.48
75½	68	Herts 6¾pc 1985-87	70⅜	......	9.64	14.45
98¾	85	Leeds 13½pc 2006	85xd	......	15.74	15.80
91½	87¾	Liverpool 9¾pc '80-84	89	−¼	10.96	14.83
26	23¾	D. 3½pc Irred.	24xd	......	14.71	—
100½	96¼	Lon. Corp. 13¾pc '83	97¼	−¼	15.62	14.73
88¾	86¼	Do. 9½pc '84-85	87	−¼	10.63	13.50
80½	78½	LCC 5½pc '82-84	80	......	6.88	14.25
71¼	63¾	Do. 5½pc '85-87	67¼	......	8.35	14.40
70¼	61½	Do 6¾pc '88-90	63½	......	10.72	14.31
23¾	20	Do. 3pc '20 Aft.	21	......	14.58	—
97¼	92¼	Sunderland 12¼pc 1984	93¼	......	13.14	14.87

COMMONWEALTH AND AFRICAN LOANS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
97½	92¼	Aust. 5½pc '81-82	95¾	......	5.72	13.82
87½	83½	Do. 6pc 1981-83	86½	......	7.07	14.13
67¼	59	N.Z. 7¼pc 1988-92	60¾	+¼	12.21	14.92
81¾	74	Do. 7½pc '83-86	76½	+½	10.03	15.09
141	115	S. Rhod. 2½pc Non-Ass.	139	......	—	—
61	43	Do. 3½pc 80-85 Asstd.	60	......	6.00	18.80
43	26	Do. 4½pc 87-92 Asstd.	39	......	11.66	17.60
395	333	Zimbabwe Ann (£100pa)	386	−2	—	22.55

LOANS

Public Board and Ind.

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
64	58	Agric. Mt. 5pc '59-89	61½	......	8.25	13.24
29½	24¼	Met. Wtr. 3pc 'B'	26xd	......	11.56	13.76
114	98½	U.S.M.C. 9pc 1982	101	......	8.86	—
97¼	91	Do. without Warnts.	94½	......	9.81	18.30

Financial

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
101½	96½	FFI 14pc '83	97¼	+¼	14.32	15.16
93½	88½	FFI(UK Fa)5½pcDb. '80-2	93xd	+½	5.91	13.39
83½	77	Do. 6¼pcDb. '81-84	81½	+½	7.88	14.64
93	84½	Do. 10½pc Uns.Ln. '86	87	+½	12.38	15.45
92	80	Do. 11pc Uns.Ln. '88	85	+½	13.30	14.65
92	80	Do. 11¾pc Uns.Ln. '90	84½	......	14.17	15.45
94½	83	Do. 12½pc Un. Ln. 1992	83½xd	......	14.97	15.75
64½	55½	Do. 7¼pcADeb. '89-92	58½	+½	12.82	15.42
62	54	Do. 7¼pcADeb. '91-94	54xd	−½	13.43	15.64
72½	63½	Do. 9pc 'A' '91-94	63½xd	......	14.17	15.78
70	59	Do. 8¾pcLn. '92-97	60	......	14.92	16.03

Building Societies

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100⅛	99¾	N'wide 14¾pcBd11.8.82	100⅛	......	—	f14.73

FOREIGN BONDS & RAILS

1981 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
95	58	Antofagasta Rly.	80	......	—	—
55	53½	Do. 5pc Pref.	54xd	......	—	—
98	98	Chilean Mixed	98	......	3	f3.07
28	14	Chinese 4½pc 1898	16	......	—	—
22	12	Do. 5pc 1912	12	......	—	—
18	9	Do. 5pc 1913	10	......	—	—
16	9	Do. 5pc '25 Boxer	10	......	—	—
94	79½	Denmark 13pc 2005	82	......	13	16.46
45	36	Greek 7pc Ass.	45	......	3½	f8.00
42	33	Do. 6pc 28 Stb. Ass.	42	......	3	f7.28
35	30	Do 4pc Mixed Ass.	35	......	2	f5.78
52	42	Hung. '24 Ass.	42	......	2¾	f6.68
97¼	92½	Hydro Quebec 15pc Ln 2011	92¾	......	15	16.33
67	60	Iceland 6½pc '83-88	62	......	6½	15.80
102	83½	Do 14½pc Ln. 2016	87¼	......	14½	16.87
90¼	83½	Ireland 7½pc '81-83	88½	......	7½	15.70
79¾	68½	Do. 9¾pc '91-96	68½xd	−¼	9¾	15.16
215	180	Japan 4pc '10 Ass	205	......	—	—
79	66	Do. 6pc '83-88	66	......	6	14.01
165	155	Peru Ass. 2007	165	......	5.22	f3.20
96¾	86½	Pet. Mx 14½pc '06	86½xd	......	14½	16.67
$79	$75	Turin 9pc 1991	$75	......	9	f12.00
DM90	DM87	Turin 6½pc 1984	DM87	......	6½	10.05
96	96	Uruguay 3½pc	96	......	3½	3.80

AMERICANS

1981 High	Low	Stock	Price £	+ or −	Div. Gross	C'vr	Y'ld Gr's
27⅝	27⅛	AMF 5% Conv. '87	27½	......	5%	—	f12.5
16½	912p	Abbott Labs.‖	14⅜	+½	h72c	—	2.8
17¼	14¼	Alcoa 1$	15¼	+⅜	$1.80	—	6.7
37⅜	16½	Amax $1	29⅛xd	+½	$2.40	—	4.6
21¼	15½	Amdahl	15¾	......	40c	—	1.4
27⅝	16⅝	Amer. Express $0.60	24⅜	+⅞	$2.00	—	4.5
26	15½	Amer. Medical Intl. $1	22½	+1	64c	—	1.6
14⅛	11¼	Bank America Corpn.	12¾xd	+¼	$1.52	—	6.6
18⅝	12⅛	Bankers N.Y. $10	17⅝	+1⅛	$1.85	—	5.8
12½	650p	Barnes Grp. $6⅔	11½xd	+⅜	$1.00	—	4.8
36⅝	22¼	Bendix Corp. $5	33⅞xd	+⅞	$3.00	—	4.9
14⅜	951p	Beth Steel $8	12⅛xd	+¼	$1.60	—	7.1
18⅞	975p	Brown'g Fer. c16⅔	16	+¼	84c	—	2.9
11⅞	564p	Brunswick Corpn.‖	962p	+16	90c	—	5.2
24¾	18⅛	Burroughs Corp. $5	19½	+⅝	$2.60	—	7.4
31⅜	19⅝	CBS $2.50	28¼	+1⅛	$2.80	—	5.5
18⅛	12¼	C.P.C. $⅓	16⅜	+½	$1.92	—	6.5
36	23	Caterpillar‖	33	+1	$2.40	—	4.0
30	18	Chase M'htn.$12.5	29	+1⅛	$3.10	—	6.0
19⅝	11¾	Chesebrough $1	18⅜	+⅜	$1.52	—	4.6
382p	178p	Chrysler $6¼	297p	+5	—	—	—
15	883p	Citicorp $4	13⅝	+1	$1.56	—	6.3
15¼	865p	City Inv. $1.25	13¾	+⅜	$1.60	—	6.5
24	13⅜	Do. Cm. Prf. B $1	21	+⅜	$2.00	—	5.3
916p	587p	Colgate-P. $1	799pxd	+13	$1.12	—	7.8
49½	18¾	Colt Inds. $1	49½	+⅞	$2.90	—	3.3
52	21⅞	Conoco $5	41⅞xd	+⅞	$2.60	—	3.5
20¾	11⅝	Cons. Foods $1⅓	16⅛	+⅛	$1.90	—	6.5
21¾	12⅝	Cont. Illinois $10	20½	+½	$2.00	—	5.4
24	17¼	Crown Zell. $5	18⅛xd	+⅝	$2.30	—	6.9
935p	590p	Damson Oil US$0.4	635p	−10	—	—	—
21½	11⅛	Eaton Crp. $0.50	16⅝xd	+⅛	$1.72	—	5.8
30⅝	15⅞	Esmark $1	28⅜xd	+⅜	$1.84	—	3.6
20	15	Exxon ‖	19	+⅜	k$3.00	—	8.8
11½	552p	Fin. Corp. America	849p	+34	68c	—	4.4
10⅝	639p	First Chicago $5	10xd	......	$1.20	—	6.7
25¾	17⅜	Fluor Corp. $⅝	20	+⅛	80c	—	2.2
12½	789p	Ford Motor $2	11¼	+⅛	$1.20	—	6.0
21½	15½	GATX $⅝	18½xd	+½	$2.40	—	7.2
34¼	24⅝	Gen. Elect.$2½	31xd	+1⅛	$3.20	—	5.8
18	11½	Gillette $1	16⅛	+⅜	$2.10	—	7.2
24¼	17⅞	Gulf Oil‖	20¾	+⅞	$2.80	—	7.5
50½	41	Honeywell $1.50	45¼	+½	$3.40	—	4.2
23¾	875p	Hutton (E. F.) $1	19⅛	+1⅛	h80c	—	2.3
32⅝	26⅜	I.B.M. Corp. $1.25	31½	+1	$3.44	—	6.1
38	28¼	Ingersoll-R $2	34¼xd	+⅞	$3.40	—	5.5
960p	693p	I. U. International‖	734pxd	+25	$1.10	—	8.3
16¾	13½	Int. Tel. & Tel. $1	15⅛	+¼	$2.60	—	9.5
12⅝	10	Kaiser Al. $⅓	11¼	+⅛	$1.40	—	6.9
737p	304p	Lionel Corp. $0.10	516pxd	+29	20c	—	2.2
18	12½	Lone Star Inds.	16	+¼	$1.85	—	6.4
23	15¼	Louisiana Land $0.15	18	+⅛	$1.80	—	5.6
20⅜	12¾	Manf. Han. US$7.50	18⅝	+1	$2.72	—	8.1
22½	12⅝	Merrill Lynch $1	19	+¼	$1.28	—	3.7
32⅝	20¾	Morgan (JP) US$2.5	31	+1¼	$3.10	—	5.6
935p	605p	Norton Simon Inc. $1	835p	+28	$1.08	—	7.2
31¾	13½	Pennzoil	24¾	+⅜	$2.20	—	5.1
19¾	12⅞	Quaker Oats US$5	18¾	......	$1.80	—	5.1
52⅞	27⅞	Reliance $0.25	48⅝	+1⅛	♦$3.00	—	3.5
21⅜	12⅛	Rep. N.Y. Corp. $5	18⅝xd	+1⅛	$1.20	—	3.6
944p	690p	Rexnord $5	883pxd	+35	$1.08	—	6.8
22¼	14⅝	Rockwell Intl. $1	18½	+⅝	$1.56	—	4.7
479p	333p	Saul (B. F.) $1	382p	+34	20c	—	2.9
27⅝	17⅞	Shell Oil $1	23⅜xd	+⅝	$1.80	—	4.3
627p	447p	Simplicity Patt	566p	+38	♦56c	—	5.5
27	18½	Sperry Corp. $0.50	20	+⅜	$1.92	—	5.3
24⅞	16	Sun Co. Inc.	19⅞xd	+½	$2.10	—	5.9
33½	28¼	TRW Inc. $1¼	30¼xd	+¼	$2.40	—	4.4
24	17⅞	Tenneco $5	21xd	+⅝	$2.60	—	6.8
176	130	Do. 10% Ln. Stk. 91-95	132	......	10%	—	f7.7
12⅝	726p	Tesoro Pt. US$0.16⅔	989p	+64	30c	—	1.7
21⅞	15⅜	Texaco $6.25	20½	+⅝	$2.80	—	7.6
45	22⅝	Time Inc. $1	39	+½	$2.00	—	2.9
13⅛	752p	Transamerica $1	12	−⅛	$1.28	—	6.0
32	20¾	Union Carbide $1	27⅞	+½	$3.40	—	6.8
30⅝	22½	Utd. Tech. $US5	25	+⅝	$2.40	—	5.3
17⅛	969p	U.S. Steel $1	16½xd	+½	$2.00	—	6.7
13⅞	10	Woolworths $3½	11½xd	+½	$1.80	—	8.7
19½	10½	Zapata Corp. 25c	19⅝	−⅛	40c	—	1.2

CANADIANS

1981 High	Low	Stock	Price £	+ or −	Div. Gross	C'vr	Y'ld Gr's
13	10 3/16	Bk. Montreal $2	12⅝	+½	$1.84	—	8.1
12½	10 9/16	Bk. Nova Scot. $1	11½	+⅜	$1.76	—	6.8
846p	660p	Bell Canada $8⅓	831pxd	+26	$1.80	—	9.6
11	630p	Bow Valley‖	988p	+45	15c	—	0.7
15¼	11⅝	Brascan‖	13¾	+⅜	$1.80	—	5.8
13½	970p	Can. Imp. Bk. $2	13½	+½	$2.0	—	6.5
24½	13⅞	Can. Pacific $5	28¾	+¼	$1.90	—	4.0
31¾	27	Do. 4pc Deb. £100	27⅝	......	4%	—	14.5
10⅞	790p	Can. P. Ent.‖	990p	+58	$1.12	—	5.0
13⅞	810p	Gulf Can.‖	11½	+¼	44c	—	1.7
962p	627p	Hawker Sid. Can.‖	690p	+34	96c	—	6.1
20½	12⅞	Hollinger $5	13¾	+⅜	s$2.20	—	7.4
16¼	812p	Hudson's Bay ‖	12½	+1¼	$1.20	—	4.2
21¾	795p	Hud.B.Oil G. $2½	20⅞	+⅝	32c	—	0.7
16⅞	11½	Imperial Oil‖	15	+⅜	$1.40	—	4.1
11⅛	765p	Inco‖	955p	+28	$US72c	—	4.2
750p	450p	Int. Nat. Gas $1	640p	......	$1.10	—	7.6
210p	131p	Massey Ferg.‖	139p	+3	—	—	—
120p	75p	Place Gas $1	75p	......	—	—	—
17½	10¼	Rio Algom	16¾	+½	$1.50	—	4.0
13	10⅞	Royal Bk. Can. $1	13	+⅝	$1.80	—	6.1
32¼	23¼	Seagram Co. C$1	29⅜	+⅝	US$1.40	—	2.6
14⅛	11¼	Tor. Dom. Bk. $1	13	+⅝	$1.80	—	6.1
11	750p	Trans Can. Pipe	10	+½	$1.16	—	5.1

BANKS AND HIRE PURCHASE

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
348	208	ANZ $A1	335	+12	tQ24c	3.6	4.5	6.1
280	233	Alexanders D. £1	235	......	17.0	—	10.3	—
*£61	£48¾	Algemene Fl.100	£60	......	tyQ26%	1.9	8.5	6.1
405	320	Allen Harvey £1	325xd	+2	23.0	—	10.1	—
*116	100	Allied Irish	102	......	Q13.9%	5.5	8.3	3.1
21¾	16¼	Ansbacher (H.) 5p	16¾	......	0.15	—	1.3	—
355	234	Arbuthnot L. £1	300	......	12.0	—	5.7	—
310	260	Bk. Ireland £1	285	......	Q28.9%	—	7.8	—
*8	3	Bk. Leumi $0.1	4	......	HQ12⅞%	—	5.3	—
250	170	Bk. Leumi (UK) £1	250	......	10.15	—	5.8	—
193	145	Bk. N.S.W. $A1	185	......	♦tQ18c	2.9	5.9	5.7
443	285	Bank Scotland £1	440	......	17.5	5.2	5.7	3.6
472	376	Barclays £1	450	−2	†18.5	5.5	5.9	3.6
243	182	Brown Shipley £1	215	......	h6.5	—	4.3	—
95	70	Carrian Ins.	86	......	hsQ46c	3.8	4.9	5.4
408	320	Cater Ryder £1	320	......	23.1	—	10.3	—
95	79	Charterhouse Gp.	82	−1	†4.51	1.7	8.1	(9.0)
50	34	Clive Dis'nt 20p	35	......	1.5	—	6.1	—
450	110	Com'l Aus. ($A1)	440	+5	♦Q20c	♦	2.8	♦
640	528	Com'zbk DM 10	610	......	—	—	—	—
925	860	C'hgn. Hbk. Kr100	860	......	Q14%	—	11.4	—
£15½	£13½	Cred. France F100	£13½xd	......	Q17⅛%	—	12.4	—
19	14	Dawes (G. R.)	15	......	—	—	—	—
*£64½	£53⅞	Deutsche Bank DM50	£64½	+2	Q31¼%	—	5.2	—
550	405	♦Dunbar Grp. £1	550	+35	†6.2	5.8	1.6	17.8
37¼	23½	First Nat. 10p	34	+½	—	—	—	5.7
5	2⅝	Do. Wrnts. 75-83	2⅝	......	—	—	—	—
324	260	Gerrard Natnl	268	......	14.0	—	7.5	—
290	218	Gillett Bros. £1	235	......	17.71	—	10.8	—
39	28	Goode D't Mry. 5p	39	......	0.75	—	2.7	—
250	152	Grindlays	214	+2	4.13	4.1	2.8	9.5
123	84	Guinness Peat	84	......	4.0	—	6.9	—
190	113	Hambros 5p	170	......	4.5	—	3.8	—
176	130	Hill Samuel	156	−1	7.0	—	6.4	—
*165	124	Hong Shng. $2.50	140xd	+1½	tQ61c	—	4.0	—
88	70	Jessel Toynbee	70	......	5.0	—	10.2	—
265	172	Joseph (Leo) £1	255	......	10.45	—	5.9	—
104	84	King & Shax 20p	92	......	5.75	—	8.9	—
284	235	Kleinwort B.L.	258	......	9.0	—	5.0	—
422	292	Lloyds £1	400	−5	†17.1	6.1	6.1	3.2
98	55	Manson Fin. 20p	91	......	♦3.5	1.2	5.5	21.0
294	208	Mercury Secs	247	+2	7.0	—	4.0	—
352	302	Midland £1	330	−8	†21.5	3.6	9.3	3.5
£72½	£64	Do. 7½% 83-93	£70½	+½	Q7½%	23.3	f11.0	—
£82¼	£70½	Do. 10¼% 93-98	£73¼	......	Q10¼%	23.3	e15.7	—
92	63	Minster Assets	76	......	4.0	1.9	7.5	10.2
228	130	Nat. Bk. Aust. $A1	176	+2	♦tQ18c	2.8	6.2	5.7
425	342	Nat. West. £1	390	−8	†21.0	4.5	7.7	3.4
£54	£45	Ottoman Bank £20	£52	+3	Q37½%	—	7.2	—
202	87	Royal Bk. of Scot.	170	−6	†4.9	5.3	4.1	6.3
500	320	Schroders £1	460xd	−9	10.5	—	3.3	—
280	235	Seccombe MC £1	250	......	18.0	—	10.3	—
£21 13/16	£12⅝	Sec. Pacific Corp.	£19¼	......	Q$2.20	—	5.1	—
204	148	Smith St. Aub.	148	......	10.5	—	10.1	—
710	594	Stand'd Chart £1	648xd	−1	†32.5	3.2	7.2	5.2
534	521	Trade Dev. $1.50	525	......	sQ$1.00	—	4.0	—
540	430	Union Disc £1	435	−5	23.0	—	7.6	—
£18	£11⅝	Wells Fargo $5	£14⅞	+⅝	Q$1.92	—	7.2	—
£42½	£17½	Westland/Utr. Fl.50	£17½	......	Q32%	♦	17.0	♦
128	84	Wintrust 20p	125	......	3.2	—	3.7	—

Hire Purchase, etc.

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
35	22½	Cattle's (Hdgs) 10p	24xd	......	†0.27	2.6	1.6	(27.1)
£25¼	£11⅝	Cie B'cre Fr.100	£19	......	gQ15%	—	7.3	—
64	44	Lnd. Scot. Fin. 10p	44	......	†2.03	2.5	6.6	7.7
25½	17	Moorgate Merc. 10p	18	......	0.9	1.5	7.1	11.6
148	111	Prov. Financial	117xd	+1½	7.02	1.8	8.6	9.2
*13½	7½	Strlg. Credit 10p	9¾	+¾	—	—	—	—
14	7	Sturla Hldgs. 10p	8	......	F0.35	—	6.2	—
56	34	Wagon Finance	45xd	+½	2.31	1.1	7.3	18.5

BEERS, WINES AND SPIRITS

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
79½	62	Allied Brews.	73½	−2½	5.0	1.8	9.7	(7.0)
*85	33½	Amal. Dist. Pr. 10p	77xd	+1	q1.0	3.9	1.9	(19.4)
251	190	Bass	226	−6	†8.6	2.6	5.5	9.1
42	28	Belhaven Brewery	33	......	—	—	—	7.3
146	101	Bell Arthur 50p	132	......	†h4.05	3.9	4.4	6.4
£121	£94	Do. 9¾pc Cnv. 99-01	£114	......	Q9½%	—	f8.5	—
166	100	Boddingtons	164	+3	3.0	3.0	2.6	19.3
94	78	Border Brew's	92	......	4.9	2.8	7.6	8.7
186	134	Brown (Matthew)	184	......	†5.69	2.5	4.4	12.2
53	39	Buckley's Brew.	52	......	2.35	2.5	6.5	7.6
273	172	Bulmer (H.P.)	272	+8	9.38	3.1	4.9	7.7
364	250	Burtonwood	364	+1	5.19	6.2	2.0	11.4
87	70	City Lon. Def.	79	......	4.4	1.1	8.0	16.7
174	120	Clark (Matthew)	162xd	−4½	7.5	♦	6.6	♦
235	178	Distillers 50p	200	−2	10.75	2.7	7.7	6.1
44	34½	Gordon (L.) 10p	43	......	d0.5	1.2	1.7	(41.0)
164	107	Greenall Whitley	144	−1	†h3.13	3.4	3.1	12.7
278	230	Greene King	278	......	6.3	3.2	3.2	11.3
83	57	Guinness	60	−2	♦4.9	2.2	11.7	4.5
103	84	High'd Dist. 20p	89	+1	2.6	2.6	4.2	10.6
200	155	Invergordon	177xd	+½	4.0	3.9	3.2	8.6
60	48	Irish Distillers	50	......	♦Q5.6%	4.6	6.0	4.6
485	440	Macallan, Glen.	480	......	♦6.49	2.3	1.9	(25.0)
79	56	Marston Thompson	74	......	1.8	3.3	3.5	11.7
190	130	Morland	190	......	†3.75	2.3	2.8	22.3
68½	50½	Scott & New 20p	50½	−1½	4.38	1.7	12.4	(5.6)
114	69	Tomatin	77	......	0.1	—	0.2	—
183	133	Vaux	146	......	†6.83	2.4	6.7	7.5
192	134	Whitbread 'A'	167	−8	6.7	2.6	5.7	7.5
252	172	Wolv. Dudley	242	......	†5.0	3.3	3.0	14.0
269	180	Young Brew 'A' 50p	266	......	5.5	2.9	3.0	(13.2)
212	112	Do. Non. V. 50p	212	......	5.5	2.9	3.7	(10.5)

BUILDING INDUSTRY, TIMBER AND ROADS

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
200	145	Aberdeen Const.	188	......	6.42	3.0	4.9	8.8
320	176	Aberthaw Cem.	315	......	10.0	4.3	4.5	5.6
35	25½	Allied Plant 10p	28	......	1.89	2.2	9.6	(5.6)
37	25	Allied Res. 10p	27	......	h2.45	2.8	13.0	5.6
45	24	Arncliffe 10p	35	......	2.66	2.5	10.9	(4.1)
296	211	BPB Inds. 50p	285	−3	9.0	2.9	4.5	8.8
77	48	Baggeridge Brk.	58	......	3.75	3.0	9.2	(4.0)
23	15	Bailey Ben 10p	19	......	1.44	3.1	10.8	4.3
*265	130½	Barratt Dev. 10p	255	+3	§12.35	2.8	6.9	5.9
24	13	Beechwood 10p	16	......	1.0	0.1	8.9	—
103	71	Bellway	83	......	7.0	2.1	12.0	(4.6)
53	33	Benford M. 10p	51	......	2.63	2.4	7.4	7.3
68	49	Bett Bros. 20p	53	......	♦d3.1	2.3	8.4	7.4
135	90	Blockleys 20p	134	+1	6.64	2.4	7.1	6.7
524	326	Blue Circle £1	508	−6	†15.0	4.5	4.2	5.3
130	90	Breedon Lime	127	+1	7.63	1.6	8.6	10.7
*36	19½	Brit. Dredging	34	......	—	—	—	28.4
102	40	Brown Jksn. 20p	40	−2	9.0	0.6	32.1	(10.3)
81	60	Brownlee	67	−1	3.7	2.3	7.9	6.4
86	48	Bryant Hldgs.	68	......	†h2.5	3.6	5.3	7.6
£12½	810	Burnett & Hallam	£11¼	......	11.25	5.4	1.4	13.7
190	150	Burt Boulton £1	190	......	5.0	—	3.8	—
48	31	C. Robey 'A' 10p	38	......	2.6	3.7	9.8	3.1
75	31	Cal'nder (GM) 10p	54	......	d2.25	4.4	6.0	4.6
66	47	Carr (John)	54	......	hd1.47	4.1	3.9	8.9
43	28	Carron	29	−1	‡1.28	—	‡	—
85	71	Cement Roadstone	80½xd	+3	†Q10.5%	2.7	7.3	7.3
61	36	Combex Gp. 10p	44	......	d2.55	3.3	8.3	4.0
133	80	Conder Int.	80	......	‡7.0	1.6	‡	(6.1)
270	172	Costain Group	244xd	+6½	†10.5	3.3	6.1	5.5
232	142	Do. Defd.	226	+4	—	—	—	—
108	68	Countryside	105	......	3.5	3.0	4.8	(7.8)
*245	130	Crouch (D.) 20p	168xd	−½	5.05	2.9	4.3	11.9
*184	116	Crouch Group	120	+4	4.4	1.2	5.2	(20.5)
126	84	Douglas Robt. M.	114	......	5.0	♦	6.3	♦
250	117	D'ning G.H. 50p	238	......	♦10.5	♦	6.5	♦
8	6½	♦Dunton Grp. 5p	7	......	—	—	—	—
87	54	Erith	84	......	4.0	2.3	6.8	8.0
148	69	Fairclough Cons.	144	......	†4.5	3.6	4.5	7.2
87	39	Feb. Intl. 10p	87	+2	h2.0	3.8	3.3	8.8
86	33	Do. 'A' 10p	86	+3	h2.0	3.8	3.3	8.7
178	88	Finlan (John) 10p	177	−1	4.0	4.7	3.2	7.0
29	19	Francis Pkr. 10p	25½	−½	0.35	2.1	2.0	(27.1)
95	38	French Kier	85	−1	3.25	3.3	5.5	6.3
91	64	Galliford Br. 5p	91	......	4.62	3.3	7.3	5.6
25	17	Gibbs D'dy A 10p	18	......	1.25	2.9	9.9	(4.8)
93	51	Gleeson (M.J.) 10p	84	......	†2.56	1.8	4.5	17.9
66	39	Glossop	64	......	4.62	1.1	10.3	11.8
*75	47	H.A.T. Grp. 10p	71	......	F2.75	2.7	5.5	8.6
30	22	Helical Bar	24½	......	2.75	1.6	16.0	5.8
165	120	Henderson (P. C.)	140	......	8.0	2.8	8.2	6.0
48	33	Hewden St. 10p	34	......	1.28	1.9	5.4	(11.8)
41	22	Heywood Wms.	34	+1	—	—	—	—
134	74	Higgs & Hill	132	......	4.8	2.7	5.2	(8.1)
89	49	Hoveringham	89#	......	2.9	2.3	4.7	12.1
86	48	Do. Res. Vtg.	77#	......	2.9	2.3	5.4	10.5
46	24	Howard Shut 10p	43	−2	2.0	♦	6.8	♦
88	48	I.D.C. 20p	83	......	d5.06	1.3	8.7	12.3
86	54	Ibstock Johnsen	80	......	4.5	1.2	8.0	(13.6)
101	67	Int. Timber	83	......	4.0	—	6.9	—
230	147	Jarvis (J.)	212xd	−3	13.2	♦	8.9	♦
10½	6½	††Jayplant	6½	......	—	—	—	16.7
88	58	Jennings SA0.50	75	......	‡Q12%	8.8	‡	27.0
*29	19	Jones Edwd. 10p	19	......	—	—	—	58.9
£28	£25¾	Lafarge Cop. F100	£28	......	Q25.9%	3.5	8.5	3.3
60	37	Laing (John)	50	......	2.88	1.3	8.2	(14.5)
150	100	Latham (J.) £1	125	......	8.0	—	9.1	—
158	72	Lawrence (W.)	140	......	7.5	2.6	7.7	(5.8)
115	66	Leech (Wm.) 20p	83	......	6.6	1.6	11.4	(6.6)
43	30	Leyland Paint	38½	+½	1.0	2.8	3.7	(11.8)
167	94	Lilley F.J.C.	164	......	5.0	3.7	4.4	7.8
85	58	London Brick	76	−1	4.37	2.2	8.2	(6.5)
267	158	Lovell (Y. J.)	265	......	†7.0	2.8	3.8	7.3
82	60	♦McLaughlin & H.	82	......	5.25	3.4	9.4	4.0
172	106	Magnet & Sthns.	156	......	5.0	2.4	4.6	11.7
172	140	Manders (Hldg)	140	......	4.8	2.7	4.9	10.6
156	72	Marchwiel	113xd	−½	6.0	0.1	7.6	—
117	80	Marshalls (Hfx)	95	......	4.5	2.7	7.0	6.8
90	66	May & Hassell	80	......	3.3	—	5.9	—
110	41	M.D.W.	102	+3	4.5	3.9	6.3	4.4
91	66	Meyer (Mont. L.)	72	+2	3.0	—	6.0	—
80	50	Milbury	66#	......	4.9	3.1	11.1	(3.2)
16½	8½	Miller (Stan) 10p	14	......	1.4	♦	14.3	♦
85	60	Mixconcrete	83xd	+2½	4.05	2.2	7.0	9.3
31	21	Mod. Engineers	26	......	3.0	0.9	16.5	(11.1)
67	22	Monk (A)	67	+5	1.75	4.1	3.7	7.1
*186	120½	Mowlem (J)	177	......	8.75	2.6	7.1	6.3
460	288	Newarthill £1	427	......	d7.0	5.7	2.3	9.2
154	115	Nott. Brick 50p	154	+1	6.62	2.6	6.1	7.3
134	90	Phoenix Timber	118	+2	1.0	—	1.2	—
255	172	Pochins	240	......	9.0	4.1	5.4	6.5
103	98	♦Ramus	98	......	gd5.0	2.1	7.3	7.5
221	151	R.M.C.	208	−4	9.0	2.7	6.2	7.2
200	151	Redland	178	−2	7.34	1.7	5.9	11.8
£80	£59	Redland (£ Wrnts.)	£74	+2	—	—	—	—
135	90	Roberts Adlard	133	......	8.0	3.0	8.6	5.5
*185	114½	Rohan Grp. 10p	180xd	+½	tyQ50%	4.2	6.4	5.6
52	34	Rowlinson 10p	49	......	d0.61	3.3	1.8	22.0
97	60	Ruberoid	97	+1	3.75	3.0	5.5	8.7
89	68	Rugby P. Cement	85	−½	4.7	2.2	7.9	(6.8)
180	120	SGB Group	160	......	5.3	4.5	4.7	5.7
49	31	Sharpe & Fisher	36	......	1.8	2.6	7.2	7.6
49	21	Sheffield Brick	43	−1	1.75	0.2	5.8	—
62	40	Smart (J.) 10p	58	+3	hd3.6	1.5	8.9	10.4
33	21	Streeters 10p	27	......	—	—	—	14.7
420	238	Tarmac 50p	416	+1	16.0	3.1	5.5	6.8
604	442	Taylor Woodrow	565	+2	s13.31	3.4	3.4	10.6
290	125	Tilbury C'tg £1	290	+5	22.38	—	11.0	—
191	100	Travis & Arnold	190	......	3.94	6.7	3.0	5.3
510	236	Tunnel B	490	+5	15.5	2.4	4.5	10.9
79	52	UBM Group	61	+½	3.0	0.9	7.0	25.5
37	28	Vectis Stone 10p	28	−1	1.8	2.0	9.2	7.8
255	185	Vibroplant	185	−5	d14.53	1.3	11.2	(8.6)
69	42	Ward Hldgs. 10p	47	......	d4.2	2.1	12.8	(4.5)
50	29	Do. Defd.	34	......	—	—	—	—
89	59	Warrington	89	+2	4.73	1.6	7.6	9.8
207	151	Watts Blake	201	......	3.25	4.4	2.3	11.8
93	45	Westbrick Prods.	88	−4	♦F5.0	1.1	8.1	19.2
83	53	Wettern Bros	80	......	—	—	—	—
24	17	Whatlings	21	......	‡0.9	—	‡	—
182	110	Whit'gh'm 12½p	142	......	6.75	3.7	6.1	4.4
80	36	Wiggins Con. 10p	77	......	2.5	7.1	4.6	3.2
208	58	Wilson (Connolly)	188xd	−½	†hd2.25	10.7	1.7	6.3
129	80	Wimpey (Geo)	114	−1	2.55	5.2	3.2	6.8

CHEMICALS, PLASTICS

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
510	295	Akzo Fl.20	500	+35	—	—	—	—
153	98	All'd Colloid 10p	136	......	2.73	1.9	2.9	22.8
92	60	Anchor Chem.	76	......	2.38	0.5	4.5	—
49	30	Arrow Chemicals	46	......	—	—	—	—
£33	£23½	BASF AG DM50	£32½	......	Q14%	1.4	4.6	15.8

CHEMICALS, PLASTICS—Cont.

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
*£30	£20⅞	Bayer AG. DM.50	£30	+1	Q21.88	1.2	7.7	11.0
116	86	Blagden Noakes	114	......	6.0	0.9	7.5	(23.1)
126	90	Brent Chems 10p	114	......	h2.0	2.0	2.5	23.7
27½	14	Brit. Benzol 10p	25	+2	—	—	—	—
38	21	Brit. Tar Prd. 10p	32	......	2.1	1.1	9.4	(13.2)
70	43	Catalin	70	......	♦—	—	—	—
£91	£85	Ciba G. 8%Cv.81/94	£90	......	Q8%	4.3	f9.3	—
£90	£82½	Do.8¼%Cnv.82/95	£88½	......	Q8¼%	4.0	f9.6	—
132	105	Coalite Group	116	+1	4.16	4.2	5.1	5.0
64	46	Coates Bros.	57	......	3.0	3.1	7.8	4.5
63	43	Do. 'A' NV	50	−1	3.0	3.1	8.9	4.0
18	14½	Cory (Horace) 5p	15½	+½	1.3	1.5	12.4	(6.6)
49	32	Croda Int. 10p	45½	+½	3.1	1.3	9.7	(13.3)
27	18	Croda Int. Defd.	26	......	—	—	—	—
18	12	Dixor-Strand 5p	13	......	—	—	—	—
132	116	Ellis & Everard	128	......	6.5	1.3	6.1	17.9
195	112	Fisons £1	150	−3	10.0	—	9.5	—
48	36	Halstead (J.) 10p	48	+1	2.4	3.7	7.1	4.5
191	137	Hksn. Welch 50p	188	......	7.5	2.3	5.7	11.1
298	223	Hoechst DM5	298	+7	Q21.9%	1.5	7.8	8.3
£100	£90	Do.Fn.10%Uns.Ln.	£96	......	Q10%	—	10.7	—
330	226	Imp. Chem. £1	274	−4	‡17.0	8.2	‡	—
41	34½	Do. 5% Pf. £1	37½	......	3.5	37.7	13.3	—
203	74	Int. Paint	200	......	3.57	3.8	2.5	11.5
130	77	Laporte Inds. 50p	124	......	7.0	1.2	8.1	14.3
190	145	Leigh Ints 5p	160	−3	5.63	1.8	5.0	(13.1)
65	40	♦Morley (R. H.) 10p	48	......	1.0	♦	3.0	♦
£46½	£27	Norsk H. Kr100	£45¾	+3¼	gQ12%	9.0	2.9	♦
£122	£46	Novo Inds. A/S 'B'	£95½	+3½	Q13%	5.0	1.0	20.9
103	64	Plysu 10p	101	+1	h1.89	3.9	2.7	10.7
232	170	Ransom Wm. 10p	232	......	5.68	2.8	3.5	11.5
177	42	Rentokil 10p	160	......	†2.55	2.8	2.3	20.7
195	158	Scot. Ag. Ind. £1	190xd	+1	14.75	2.1	11.1	5.5
156	76	Stewart Plastics	156xd	+3	2.91	♦	2.7	♦
14½	8	Thurgar Bardex 10p	11½xd	−½	0.9	1.2	11.2	(8.8)
125	85	Wolstenholme	125	+5	5.75	2.6	6.7	7.3
45	27	Yorks Chems.	36	+1	—	—	—	—

DRAPERY AND STORES

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
38	19½	Allebone 10p	27½	+½	1.0	—	5.2	—
34	18½	Amber Day 20p	18½	−1½	2.86	—	22.1	—
41	24	Aquascutum 5p	32	......	2.05	1.3	9.2	(11.4)
37	22	Do. 'A' 5p	28	......	2.05	1.3	10.5	(10.8)
179	49	Baker's Strs. 10p	175	......	†h1.32	8.0	1.1	12.4
77	50	Bambers Stores 10p	68	−1	1.55	3.6	3.3	9.2
178	138	Beattie (J) 'A'	141	......	4.5	3.8	4.6	8.2
49	27	Bentalls 10p	43	−1	1.35	1.4	4.5	19.6
11	6½	Boardman KO 5p	7½	......	0.25	4.7	4.8	6.1
26	16	Bolton Text. 5p	16	......	1.25	—	11.2	—
59	50	Bremner	54	+1	4.3	1.2	11.4	10.2
184	132	Brit. Home Strs.	140	−1	4.5	2.6	4.6	10.7
87	42	Brown (N) 20p	85	......	4.5	2.4	7.6	6.7
148	90	Burton Grp. 50p	132	−2	5.5	1.6	6.0	(12.9)
56	36	Cantors 'A' 20p	43	−1	0.01	—	—	—
34	24	Casket (S.) 10p	26	......	1.75	0.9	9.6	(16.8)
187	156	Church	176xd	+1½	8.0	2.8	6.5	(6.2)
49	28	Comb. Eng. 12½p	44	......	3.15	1.1	10.2	(12.8)
164	125	Comet R. Serv. 5p	128	......	d3.82	2.6	4.3	(10.1)
188	53	Corsell Dress 5p	183	......	—	—	—	—
91	63	Courts 'A'	72xd	......	3.7	1.6	7.3	(10.4)
230	138	Currys	198	+6	h4.5	3.4	3.2	9.4
109	72	Debenhams	83	−1	6.37	1.6	11.0	(6.9)
81	37	Dewhirst 10p	79	......	†h1.2	4.4	2.2	12.0
187	127	Dixons Photo 10p	163	......	3.49	♦	3.1	♦
29	14	Ellis & Gold 15p	25	......	2.15	1.7	12.3	(5.8)
146	88	Empire Stores	94	......	5.1	2.8	7.8	9.0
36	23	Executex 20p	23	......	1.86	♦	11.5	♦
*71½	54	Fine Art Devs. 5p	64	+1	F3.0	2.4	6.7	7.9
28	18	Ford (M'tin) 10p	22	......	‡1.3	0.6	‡	35.8
126	107	Formminster 10p	118	......	4.2	3.8	5.1	7.4
110	61	Foster Bros	62	......	3.35	3.0	7.7	5.5
142	100	Freemans (Lon)	118	......	3.7	2.5	4.5	10.7
63	51	Gelfer (A.J.) 20p	53	......	3.9	1.9	10.5	7.1
80	60	Goldberg A.	60	......	5.25	1.2	12.5	9.9
12½	8	Goodman Br. 5p	12	+1	0.96	1.4	11.4	8.7
106	54	Grattan	100	......	4.12	1.1	5.9	(20.4)
507	431	Gt. Universal	460	......	12.5	q3.1	4.0	11.1
510	425	Gus A	448	−7	12.5	q3.1	4.1	10.8
49	22½	Greenfields 10p	32½	−½	‡2.15	—	‡	—
175	115	Harris Queensway	138	+2	h4.0	1.7	4.1	20.1
127	86	♦Heelamat 10p	113	......	5.6	♦	7.1	♦
24	19	Helene Lon. 10p	22½	......	1.48	2.4	9.4	5.5
25	16	Henriques A 10p	19	+½	1.5	1.4	11.3	8.5
122	84	Hepworth (J.) 10p	96	......	3.79	1.8	5.6	14.2
104	71	Hiltons 20p	104	+8	4.72	2.0	6.5	9.1
104	83	Hollas Grp 5p	83	......	6.0	2.3	10.3	5.2
146	91	Home Charm 10p	118	−2	d2.5	3.4	3.0	10.7
183	117	House of Fraser	173	−2	6.6	2.0	5.5	12.4
103	62	House of Lerose	103	+5	6.0	2.3	8.3	7.4
114	98	Jones (Ernest) 10p	98	......	d3.9	2.6	5.7	8.4
54	34	Kean & Scott	34	−2	—	—	—	—
11	8	Kunick 10p	8#	......	0.27	—	4.7	—
59	44	Ladies Pride 20p	55½	......	3.4	2.1	8.8	7.8
210	130	Lee Cooper	138	......	2.74	4.3	2.8	8.7
144	130	Liberty	136	−2	1.7	—	1.8	—
80	70	Do. Non Vtg. Ord.	78	......	1.7	—	3.2	—
34	17	Lincroft K. 10p	28	......	—	—	—	—
29	14	Lowland Drapery	24	......	—	—	—	—
70	51	MFI Furniture 10p	60	−3	2.62	2.8	6.2	9.3
143	110	Marks & Spencer	132	−3	3.8	1.9	4.1	18.0
262	176½	Martin News	244	+2	†9.35	3.5	5.5	5.7
249	140	Menzies (J.)	223	......	h3.75	4.2	2.4	11.1
172	120	Milletts Leis. 20p	120	......	6.95	1.2	8.3	(13.9)
256	190	Mothercare 10p	190	−2	5.0	2.7	3.8	14.3
190	135	NSS News 10p	164	......	†3.4	4.9	3.0	9.5
82	53	N'thn. Goldsmith	68	......	3.51	1.9	7.4	8.5
110	76	Oliver (G.) "A"	103	......	†4.4	2.5	6.2	7.5
268	106	Owen Owen	253	+8	4.25	4.7	2.4	9.4
*62	37	Paradise (B) 10p	42	......	g3.5	♦	11.8	♦
25	13½	Pawson (W.L.)	17	......	—	—	—	—
138	90	Peters Stores 10p	96	......	3.5	4.1	5.2	5.1
385	132	Polly Peck 5p	312	−8	20.2	—	0.1	—
77	58	Preedy (Alfred)	67	......	3.5	1.5	7.5	11.5
62	46	Pullman R. & J. 5p	53	+2	3.81	♦	10.9	♦
9	5¾	Ramar Text. 5p	6¼	......	0.24	2.3	5.5	(9.2)
60	48½	Ratners 10p	49	......	2.3	2.1	6.7	8.4
75	45	Raybeck 10p	47xd	......	2.26	♦	6.9	♦
23	13	Readicut 5p	19	......	0.1	—	0.8	—
94	48	Reed Austin 'A'	72	......	3.36	1.9	6.7	9.3
15½	12	S&U Stores 12½p	12	......	—	—	—	2.7
22	15	Do. 25%Pf. 12½p	17½	......	—	—	—	—
162	132	Samuel (H) 'A'	144	......	6.25	2.8	6.2	10.3
16	9¼	Sellncourt 5p	13½	......	1.14	0.5	12.1	(14.3)
186	133	Smith W. H. 'A' 50p	174	+2	4.6	2.2	3.8	15.8
110	92	Sonic Sound 10p	93	+1	h4.48	1.9	6.9	9.1
80	56	Stanley A.G. 5p	58	......	d2.5	1.6	6.2	(12.9)
54	40	Stead. & Sim 'A'	51	......	3.5	1.2	9.8	12.2
25	12½	Steinberg 10p	23	......	0.02	—	0.1	—
65	21	Sumrie 20p	50	+3	1.5	4.1	4.3	6.1
67	48½	Time Prods. 10p	49	+½	2.25	1.9	6.6	9.7
105	61	Tricoville 10p	103	......	♦2.68	4.2	3.7	9.0
93	64	UDS Group	72	−2	6.21	1.0	12.3	(11.7)
42	26	Upton (E) 'A'	38	......	0.5	—	1.9	—
141	80	Vantona 20p	123	......	8.0	1.4	9.3	(9.6)
90	76	Walker (Jas.)	76	......	4.0	2.9	7.5	(5.1)
80	66	Do. N.V.	70	......	4.0	2.9	8.2	(4.7)
172	112	Waring & Gillow	132xd	+1	5.5	♦	6.0	♦
98	60	Wearwell 5p	82	......	22.5	2.4	4.4	(10.8)
78	47	Wilkinson Warbtn	76	−2	6.29	3.3	11.8	(2.8)
70	50	Woolworth	53	−1	4.79	1.3	12.9	(8.1)

ELECTRICALS

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
148	95	A.B. Electronic	126	......	‡7.5	—	‡	—
210	143	♦Air Call	192	−1	g4.2	3.0	3.2	(11.8)
182	118	Amstrad	173	+6	gd3.3	2.8	2.7	15.3
52	29	Arlen Elect.	43	......	‡d3.0	1.6	‡	9.1
6½	3	Audiotronic 10p	4	−½	—	—	—	—
6	2	Do. 12pc Prg. Pref.	5	......	B—	—	—	—
208	158½	Auto'ted Sec. 10p	185	......	†h1.2	5.9	0.9	19.3
*289	157	BICC 50p	258xr	−1	§10.37	2.0	5.8	(10.4)
76	27	BSR 10p	72	−3	20.5	—	1.0	—
78	25	††Baker Elec. 10p	28	......	3.85	—	—	—
128	50	Berec	122	+4	♦3.4	2.8	4.0	(9.9)
206	146	Bowthorpe 10p	186	......	2.96	3.6	2.3	16.2
23	17	Brocks 10p	18#	......	‡1.28	—	‡	—
34	23	Bulgin 'A' 5p	28	+5	1.35	1.4	6.9	13.2
99	79	Cambridge Elec.	97	+3	b3.7	2.2	5.4	9.8
*41	22	Chloride Grp.	24	......	—	—	—	—
58	15	Concord Rota. 10p	40	......	20.6	—	2.1	—
118	76	CrayEl'tronic 10p	96	......	2.25	♦	3.4	♦
*94	59	Crystalate 5p	90	+1	1.54	2.8	2.4	20.9
93	58	Dale Elect. 10p	68	......	2.5	♦	5.3	♦
21	8	Derritron 10p	13	......	B—	—	—	—
12	8½	Dewhurst 'A' 10p	9½	......	0.15	0.7	2.3	—
31	22	Dowding & M. 10p	28	+½	1.65	2.1	8.4	7.9
26	17	Dreamland 10p	19	......	1.2	1.5	9.0	(9.1)
58	46	Dubilier 5p	53	......	1.4	3.3	3.8	(8.8)
161	124	Elect'comps 10p	155xc	+9	h1.95	3.9	1.8	20.1
56	38	Electronic Mach.	44	+2	—	—	—	10.6
120	84	Elect. Rentals 25p	113	−3	4.31	1.3	5.4	(18.8)
149	125	Emess Lighting	135	......	†6.0	3.8	6.4	4.5
37½	28	Energy Servs. 10p	34½	......	0.75	3.1	3.1	13.0
322	230	Eurotherm Intl. 10p	290	......	d4.5	2.8	2.2	18.1
542	337	Farnell Elec. 20p	483	−2	5.2	4.4	1.5	21.3
625	425	Ferranti 50p	545	......	6.5	4.6	1.7	13.6
55	25	Fidelity Rad. 10p	51	−4	0.1	—	0.3	—
129	70	First Castle 10p	117	+7	1.79	3.2	2.2	16.4
139	72	Forward Tech.	72	......	5.27	1.1	10.4	(12.1)
813	573	G.E.C.	745	−13	10.25	4.5	2.0	14.2
253	135	♦Hadland (J.)	155	......	u2.52	6.4	2.3	9.6
148	133	Hawthorn L. 50p	146	......	♦3.5	1.9	3.4	18.3
48	22	Hemokinetics 1c	22	......	—	—	—	—
41	20	Highland El. 20p	25	......	1.0	—	5.7	—
87	53	Jones Stroud	82	......	5.2	1.2	9.1	(11.9)
375	240	Kode Int.	268	−2	6.69	2.9	3.6	12.7
232	86	Lec Refrig.	209xd	−8	5.55	4.6	3.8	7.5
245	173	M.K. Electric	230	......	12.0	1.9	7.5	8.7
5	2	††Maxline Elec. 10p	2½	......	—	—	—	—
4	1½	Do. 12pc Prg. Pf. 10p	2¼	−¼	1.2	—	76.2	—
235	194	Memec 10p	233	......	b3.0	2.3	1.8	33.5
£19	665	Mitel Corp.‖	£15⅝	+1⅛	—	—	—	—
28	10	Molynx 20p	14	......	—	—	—	—
£43¼	£27	Motorola $3	£37⅞	+⅞	Q$1.60	—	2.4	—
120	62	Muirhead	108	......	21.0	—	1.3	—
107	97	Murray Tech. Invs.	98	......	—	—	—	—
29	13	Newman Inds.	13	......	B—	—	—	—
375	328	Newmark Louis	357xd	+7	11.0	♦	4.5	♦
43	21	Normand El. 20p	30	......	1.09	3.1	5.2	(7.0)
£37	£26½	Norsk Data A.S.	£31½	+1½	MQ3.5%	9.5	0.4	26.6
£236	£157	Perkin-Elmer 4pc	£157	......	Q4%	—	f2.6	—
74	39	Petbow Hldg 10p	68	......	—	—	—	—
*51	30	Philcom 10p	33	......	1.0	2.5	4.3	(10.6)
£51	£46½	Philips Fin. 5¾%	£46½	......	Q5¾%	—	f12.8	—
485	291	Philips Lp. F10	457	−3	Q18%	1.3	8.2	9.1
151	85	Piezo El Prds. 1c	100	......	—	—	—	—
218	152	Pifco Hldgs. 20p	215	......	5.28	4.8	3.5	8.5
218	152	Do. 'A' 20p	213	−2	5.28	4.8	3.5	8.4
401	255	Plessey 50p	344	−5	7.63	2.4	3.2	18.6
38	24½	Pressac 10p	30	......	1.26	1.1	6.0	21.3
235	155	††Quest Auto. 10p	203	+3	G1.0	5.1	0.7	29.7
485	284	Racal Electncs.	450	−3	4.55	3.3	1.4	24.1
206	109	Rediffusion	192	......	5.5	2.1	4.1	17.0
230	135	♦Scan Data 10p	150	......	u2.0	4.4	1.9	12.8
250	165	Scholes (GH)	175	......	‡18.52	1.4	‡	6.7
122	71	Security Centres	118	+3	1.3	2.7	1.6	30.2
£13	630	Sony Co. Y50	£10½	+¼	FQ88%	♦	1.0	♦
129	63	Sound Diffsn. 5p	111	......	1.21	1.5	1.6	(12.6)
545	405	Std. Tel. & Cables	420	......	†10.0	3.0	3.4	12.0
*79	38½	Suter Electrical 5p	67	......	t1.74	4.7	3.7	12.1
70	45½	Do. Defd. 5p	58	......	—	—	—	—
52	29	Telefusion 5p	50xd	+1	1.6	♦	4.6	♦
52	28	Do. 'A' N/V 5p	50xd	+2	1.6	♦	4.6	♦
400	250	Tele. Rentals	340	−5	8.25	2.2	3.5	16.7
503	282	Thorn EMI	448	−10	14.63	1.9	4.7	13.8
135½	87½	Do. 7pc Cnv. Pf. 92-99	124½	−½	7%	14.8	8.0	—
111	94	Thorpe F. W. 10p	94	......	2.45	4.5	3.7	8.6
308	206	Unitech 10p	255	+1	7.0	1.9	3.9	15.5
82	54	Utd. Electronic 20p	54	−2	1.57	3.4	4.2	8.9
*550	257	Utd. Scientific	498	+3	t6.0	3.0	1.7	34.0
215	35	Walsor N.V. Fl0.25	50	......	—	—	—	—
114	69	Ward & Gold	98	......	5.4	2.1	7.9	(6.9)
137	103	♦Webber El. 12½p	106	−1	d3.5	1.6	4.8	(14.4)
26½	17¾	Wellco Hlds. 5p	19¼	−¼	♦1.0	2.8	7.4	6.5
50	18¼	Wstn. Select 20p	45	......	2.3	1.5	7.3	12.2
121	53	Whitworth El. 5p	120xd	+1½	1.51	♦	1.8	♦
265	208	Wh'lesale Ftg 10p	288	−2	4.13	♦	2.8	♦
190	130	Wigfall (H.)	153	−1	6.0	1.4	5.6	(14.0)

ENGINEERING MACHINE TOOLS

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
25	13	AI Ind. Prods.	15	......	0.01	—	—	—
297	163	A.P.V. 50p	247	+2	9.0	3.6	5.2	5.9
13½	4	Abwood 10p	10½	......	—	—	—	—
64	42	Acrow	64	+2	0.75	—	1.7	—
42	25	Do. 'A'	42	+2	0.75	—	2.6	—
199	145	Adwest Group	160	+4	7.43	3.3	6.6	5.8
70	36	Allen W.G.	48	......	3.11	0.8	9.2	(24.8)
*147	52	Amal. Power	136	......	♦d5.0	2.6	5.3	(13.8)
101	70	Andsn. S'clyde	89	+2	4.0	2.4	6.4	7.6
298	185	Ash & Lacy	260	......	12.5	3.4	6.9	4.7
32	20½	Ass. British 12½p	31½	......	0.5	6.8	2.3	7.9
63	48	Assoc. Tooling	58	......	4.06	0.1	10.0	—
*17	11	Astra Ind'l. 10p	13½xr	......	t1.0	1.9	10.6	8.5
35	19	Aurora Hlds.	21	......	1.55	—	10.5	—
62	44	Austin (James)	60	......	4.67	♦	11.1	♦
147	88	Babcock Intl.	107xd	+½	7.0	0.8	9.3	(20.8)
7½	5¾	Bailey (C. H.)	6½	......	—	—	—	16.1
92	62	Baker Perk. 50p	86	......	5.1	0.7	8.5	(20.5)
72	50	Bamro Cons. 20p	67xd	+½	3.0	2.3	6.4	(7.6)
35	24	Barton & Sons	26	......	2.4	0.9	13.2	(12.0)
26	20	Beauford 10p	24	......	0.7	1.3	4.2	(24.9)
17	11	Bevan (D.F.) 5p	14	......	d0.85	—	8.7	—
32	20	Birmid Qualcast	23	+1	‡1.5	0.8	‡	(21.9)
233	177	Bmghm. Mint	216	......	10.5	3.0	6.9	5.3
68	25	B'ham Pallet 10p	45	−1	‡2.5	1.5	‡	12.1
£10 3/16	725	Black & Decker $0.50	918	+25	Q76c	—	4.6	—
47	26	Blackw'd Hodge	29	+1	‡2.5	—	‡	—
11	7	Boulton Wm 10p	9½	......	‡1.35	0.8	‡	(10.5)
25	12	Braham Mill 10p	21	......	0.3	—	2.0	—
135	90	Braithwaite £1	125	......	7.7	2.3	8.8	6.8
57	28	Brasway 10p	57	+2	3.0	0.8	7.5	(23.2)
50	38	B'house Dud. 10p	46	......	3.2	2.7	9.9	5.2
4½	3¼	Bristol Channel 10p	4	......	0.4	0.6	16.3	(21.4)
140	63	Brit. Aluminium 50p	70	......	‡7.5	—	‡	—
18	11	British Northrop	15	......	—	—	—	—
128	95	Brit. Steam 20p	99	......	5.25	1.6	7.6	(9.8)
40	23	Brockhouse	31	+2	‡3.0	—	‡	—
51	41	Brom's Cast 10p	45	......	2.25	2.2	7.1	9.2
17	12	Bronx Eng. 10p	16	......	1.08	3.0	9.6	(3.9)
55	31	Brooke Tool	31	......	‡3.5	1.9	‡	(3.8)
166	133	Brother'd P. 50p	164	......	3.0	1.9	2.6	(25.0)
137	92	Brown & Tawse	130	......	6.4	1.5	7.0	11.7
101	54½	Brown (John)	80½	−3	♦4.25	1.9	7.5	(8.2)
184	144	Bullough 20p	166	−2	10.75	2.4	9.2	6.3
52	41	Burgess Prod.	41	......	‡4.0	3.6	‡	2.2
32	17	Butterfield Hvy.	27½	+2	1.0	—	5.2	—
30½	17	Camford Eng.	17½	......	‡1.63	—	‡	—
77	53	Capper-Neill 10p	60	......	4.2	2.4	10.0	4.8
65	40	Carclo Eng.	54	......	2.6	—	6.9	—
54	38	Cartwright R. 10p	50	......	3.0	1.2	8.6	(12.4)
37	26	Castings 10p	34	......	d2.42	1.7	10.2	8.5
66	42	Chamberlin & Hill	51	......	2.75	4.7	7.7	2.9
305	190	Chemring 5p	225	−5	†4.0	3.7	2.5	15.4
34	24	Christy Bros.	30	......	B—	—	—	—
100	42	Clayton Son 50p	98	......	6.0	2.5	8.7	5.1
50	33	Clifford (Ch.) £1	45	......	—	—	—	—
355	212	Cohen (A) 20p	355	......	7.5	5.3	3.0	6.7
39	28	Concentric 10p	31	......	‡3.31	1.3	‡	7.1
18	10	Cook W. Shef. 20p	13	......	d0.5	—	5.5	—
25	16	Cooper (Fr) 10p	21	......	†d1.5	5.2	10.2	2.0
14	9½	Cooper Inds. 10p	12½	......	0.5	—	5.7	—
25	20	Cronite Group	21	......	‡1.87	—	‡	—
76	53	Crown House	68½	+½	5.25	1.1	11.0	(11.9)
£125	£57½	Cummins 7⅜/94	£77	......	Q3¾%	—	4.9	—
29	16	Danks Gowerton	26	......	‡0.56	—	‡	—
48	13	Dvs. & Met. 'A' 10p	43xd	+½	†1.47	2.1	4.9	(11.8)
200	141	Davy Corp.	177	......	6.7	2.0	5.4	(11.1)
63½	42	Delta Group	52½	......	3.64	2.3	9.9	5.1
26	18	Dennis J.H. 10p	21	......	1.4	2.1	9.5	(5.8)
99	70	Deritend 50p	97	......	6.6	0.5	9.7	(27.9)
130	100	Desoutter	104	......	5.7	♦	7.8	♦
27	18	Downiebrae 10p	22	......	0.9	1.6	5.8	13.2
42	29	Drake & Scull 1p	39	......	t2.75	1.7	10.3	(6.8)
83	42	Ductile Steels	83	......	‡7.0	—	‡	—
71	35	Edbro (Hldgs)	62	−2	—	—	—	—
215	136	Elliott (B.)	154	+2	8.0	2.8	7.4	(7.8)
47	34	Eva Industries	37	......	1.0	—	3.9	—
28	20	Evered	23	......	B—	—	—	—
65	44	Expanded Metal	51	+2	4.5	1.0	12.6	(12.1)
183	148	Farmer (S.W.)	170	......	9.17	2.5	7.7	7.0
95	40	Fife Forge	95	......	†4.0	2.9	6.0	6.5
158	32	Firth (G. M.) 10p	152	......	3.0	—	2.8	—
24	16	Folkes Hfo n/v 5p	20	......	d1.4	1.4	10.0	(9.3)
87	61	GEI Intnl. 20p	81	+2	5.32	0.9	9.4	(16.9)
47	38	Garton Eng. 10p	38	......	4.15	0.6	15.6	(21.3)
113	70	Glynwed	92	+2	7.35	1.6	11.4	(6.5)
28½	14½	Greenbank 10p	25	......	d1.35	2.6	7.7	7.2
150	84	Green's Econ.	148	......	h4.93	2.5	4.8	9.6
188	127	G.K.N. £1	177	−5	8.0	—	6.5	—
20	11	Habit Precision 5p	13½	+½	‡d0.55	—	‡	—
240	78½	Haden	240	+5	b6.25	3.2	3.7	9.1
215	133	Hall Eng. 50p	178	......	7.61	4.3	6.1	4.1
209	153	Hall Matthew	198	+7	h4.26	4.1	3.1	8.4
146	107	Halite 50p	146	+6	7.75	2.0	7.6	7.6
11½	8	Hampson 5p	9	......	d0.75	1.8	11.9	6.4
356	230	Hawker Sid.	320	−4	8.2	3.5	3.7	9.1
54	45½	Hill & Smith	48	......	‡3.27	2.7	9.9	5.6
108	63	Hopkinsons 50p	93	......	5.65	1.8	8.7	(7.6)
35	13	Howard Machy.	17	......	—	—	—	—
163	118	Howden Group	158	−1	4.0	3.4	3.6	9.0
14	10½	Hunt Moscrop 5p	12½	......	†0.9	0.8	10.3	(21.2)
9	6	Do. Defd. 5p	7	......	—	—	—	—
74½	51	I.M.I.	59½xd	+1	h4.5	2.1	10.8	(5.3)
81	55	Jackson J&HB 5p	65	......	1.55	4.3	3.4	8.9
82	52	Jenks & Cattell	70	......	‡4.0	1.7	‡	(8.6)
28	15	Johnson & Firth	19	......	‡1.3	1.7	‡	(7.6)
65	48	Jones Shipman	57	+2	3.6	2.9	9.0	4.9
*146	95	Laird Group	130	−1	t4.0	4.2	4.4	6.6
42	29	Lake & Elliot	36	......	t1.71	0.8	6.8	(25.9)
60	15½	Lane (Percy) 10p	60	+4	g2.5	2.8	6.0	(7.1)
17	10	Lee (Arthur) 12½p	15	......	‡0.44	—	‡	—
34	25	Ley's Foundries	27	......	‡2.0	3.7	‡	(2.8)
28	24	Linread	26	......	‡2.0	2.0	‡	(5.0)
41½	29½	Lloyd (F.H.)	37	......	0.5	1.8	1.9	(36.1)
15	11½	Locker (T) 5p	13½	......	1.06	1.5	11.2	7.1
13½	11	Do. 'A' 5p	11	......	1.06	1.5	13.8	5.8
350	250	M.L. Holdings	330	......	7.0	♦	3.0	♦
35	24	Mangan Bronze	31	−1	2.17	2.2	10.0	(5.7)
278	208	Martonair 20p	258	+3	♦7.6	3.0	4.2	10.1
127	85	McKechnie Bros.	101	......	7.28	2.8	10.3	4.6
19	11	Meggitt 5p	15	......	‡0.84	1.1	‡	(10.7)
53	37	Metalrax 5p	48	......	h2.18	2.5	6.5	7.1
92	50	Midland Inds. 5p	86	......	d2.6	0.1	4.4	—
180	118	Mining Sup. 10p	135xd	−3	2.0	♦	2.1	♦
36	21	Mitchell Som. 10p	36	......	1.0	2.1	4.0	14.3
175	102	Molins	173	+1	7.9	2.8	6.5	6.2
*99	72	Moss Eng'g	87	......	h5.95	1.1	9.8	(12.4)
19	11	Neepsend	14	......	0.1	—	1.0	—
44	28	Neill (Jas) Hdgs.	36	......	1.4	1.5	5.6	(15.0)
62	56	Newman Tonks	58	......	5.1	1.4	12.6	(7.3)
91½	62½	Northern Eng.	81	−1	g3.75	2.4	6.6	(7.4)
7½	3½	Norton (W. E.) 5p	5½	+1	—	—	—	—
22	12	♦Parkfield Fndrs 5p	17	......	0.88	♦	7.4	♦
188	126	Pegler-Hatt'rsley	166	......	9.5	2.1	8.2	7.1
64	43	Porter Chad. 20p	45	......	2.6	1.6	8.3	(9.2)
120	43	Pratt (F)	85	−2	♦6.0	1.7	10.1	(6.7)
33	22	Prestwich Parker	28	......	‡0.5	—	‡	—
60	30½	Priest (Ben)	34	......	2.39	—	10.1	—
28	14	R.C.F. Holdings	25	......	♦—	—	—	—
15½	7	Raine Eng'g 10p	10¼	......	‡0.43	1.4	‡	(15.3)
94	59	R.H.P.	63	+1	5.46	3.5	12.4	2.5
202	138	R'nsomes Sim. £1	178	+3	11.14	2.6	8.9	(4.7)
67	40	Ratcliffe Inds	40	......	‡5.25	2.1	‡	3.7
80	42	Ratcliffs (G.B.)	79	......	1.5	2.4	2.7	(17.9)
65	48	R'dmn H'nan 10p	50	−1	4.2	—	12.0	—
75	38	Renold £1	46	+1	2.0	1.0	6.2	(21.8)
56	38	Richards (Leics.)	52	......	4.3	2.2	11.8	4.5
42	26	Rich'ns West. 50p	28½	......	2.1	1.5	10.5	11.6
88	58	Robinson (Thos.)	78xd	+½	‡5.0	0.5	‡	(16.8)
61	43	Rotork 10p	55xd	+1	2.2	3.2	5.7	6.9
52	34	Saville G. (10p)	49	+1	2.93	♦	9.0	♦
26	19½	Senior Eng'g 10p	23½	......	1.5	3.0	9.1	4.2
51	31	Serck	40	+1	‡3.4	1.2	‡	(9.4)
19	12	Shaw Francis 20p	13	......	—	—	—	—
436	270	Simon Eng'g	422	......	12.0	3.5	4.1	9.0
81	57	600 Group	65	−1	5.25	1.2	11.5	(9.8)
16	10	Smith (Whit.) 5p	16	......	—	—	—	♦
125	82	Spear & Jackson	108	−2	6.58	1.8	8.7	7.5
39	22	Spencer Clk. 20p	22	......	‡2.7	—	‡	—
16	12	Spencer Gears 5p	14	......	‡1.0	3.2	‡	3.4
*176	140	Spirax-Sarco	154	......	4.4	2.7	4.1	12.8
277	208	Staveley Inds. £1	209	−1	13.0	2.0	8.9	8.0
27	14	Stone-Platt	14½	+½	0.1	—	1.0	—
125	98	Stothert & Pitt £1	98	......	1.0	—	1.5	—
31	21	Sykes (Henry)	27	......	—	—	—	—
27	15	Tace 10p	24	......	‡0.85	2.3	‡	9.3
59	34	Tecalemit	49	+½	2.08	1.6	6.1	12.4
61	33	Tex. Abras. 10p	48	−2	3.25	2.3	9.7	5.8
327	247	Thyssen Dm10	295	+5	Q12.5%	1.1	4.5	21.8
19½	15	Tomkins F. H. 5p	17	......	1.15	1.9	9.7	(6.4)
44	28	Triplex F'dries	33	......	1.0	—	4.3	—
240	126	Tube Invests. £1	134	−4	‡15.0	—	‡	—
124	58	Turriff	119	......	4.0	5.1	4.8	4.4
227	123	Utd. Eng'g 10p	210	−3	h3.58	2.4	2.4	20.3
24	15	Utd. Spring 10p	20	......	‡2.05	3.5	‡	2.1
53	25	Utd. Wire Group	42	......	5.75	0.9	19.6	(8.7)
216	129	Vickers £1	172	−2	12.0	2.2	10.0	(5.2)
175	136	Victor Products	140xd	+1	4.25	♦	4.3	♦
160	80	Vosper	157	......	12.0	—	1.8	—
87	58	Wadkin 50p	73	−2	3.25	—	6.4	—
85	73	Wagon Industr'l	83	......	5.0	♦	8.6	♦
34	21	Walker (C.& W.)	22	......	—	—	—	—
12	6	Weeks Assoc. 10p	9	......	0.1	—	1.6	—
*44	18½	Weir Group	44	+1	0.1	—	0.3	4.5
45	25	Do. 10% Cnv Prf.	44½	+½	2.5	—	6.9	—
60	46½	Wellman Eng'g	57	+½	3.35	—	8.4	—
16	11	W. Brom Sp'g. 10p	11	......	—	—	—	—
154	101	Westland	111	+2	t6.0	4.4	7.7	4.6
138	65	Whessoe	138	+2	23.0	—	3.1	25.7
11	6	Whewayl Wtsn. 10p	8	......	0.05	—	0.9	—
14	12	Williams (W.)	13	......	—	—	—	—
112	60	W'ms & James	81	......	2.41	—	4.2	—

For Wolseley-Hughes see Industrials

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
12	8	W'bwell Fdy. 10p	9½	......	‡0.37	—	‡	—
32	17½	Wood (S.W.) 20p	20	......	td1.0	—	7.1	—
19	13	W'h'se Rixn 12½p	17	......	‡1.4	2.8	‡	3.8
280	235	Yarrow 50p	275	......	♦8.15	3.2	4.2	10.6

FOOD, GROCERIES, ETC.

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
73	54	Alpine Soft D 10p	69	......	h3.85	2.2	8.0	8.3
*132	104	Argyll Foods 10p	116xd	+½	1.6	♦	2.0	♦
90	46	Ass. Biscuit 20p	70	......	4.44	1.4	9.1	(9.9)
158	116	Ass. Brit. F'ds. 5p	150	......	3.8	3.9	3.6	8.0
218	168	Ass. Dairies	190xd	−2	3.75	q3.3	2.8	13.9
70	42	Ass. Fisheries	69	......	1.0	0.3	2.1	—
303	198	Avana Group 5p	260	−3	5.0	2.5	2.7	19.4
144	92	Banks (Sidney C.)	144	+2	†5.25	3.9	5.2	5.5
*9½	4	Barker & D 1p	8½	......	—	—	—	30.2
258	121	Barr (A.G.)	233	......	4.89	5.3	3.0	7.3
50	29	Barrow Mill 20p	29	......	Q38.1%	2.1	21.8	3.1
70	32	Bassett (Geo)	70	......	1.5	2.5	3.1	(14.7)
70½	44	Batleys York 10p	70	−½	d2.2	4.5	4.5	5.2
154	108	Bejam 10p	145	−3	†2.25	3.7	2.2	13.3
175	145	Bishop's Stores	170	+3	d4.0	1.9	3.4	(18.3)
118	81	Do. "A" N/Vg.	114	+4	d4.0	1.9	5.0	(12.3)
68	50	Bluebird Conf.	57	+2	4.35	1.1	10.9	11.9
340	243	Brit. Sugar 50p	332	+2	h22.0	2.6	9.5	(4.6)
28½	12½	Brit. Vend'g 10p	14½	......	—	—	—	—
57	43	Brooke Bond	48½	+½	t3.91	1.6	11.5	6.6
*100½	66½	Cadbury Sch'ps.	91	−2	†4.1	2.0	6.5	(9.0)
87	69	Carr's Milling	74	......	4.0	2.9	7.7	(5.0)
44	31	Chambers & Fargus	32	+1	2.0	♦	9.4	♦
210	137	Clifford Dairies	195	......	4.0	3.3	2.9	(11.3)
128	74	Do. "A" N/V	127	......	4.0	3.3	4.5	(7.4)
248	158	Cullens 20p	234	+2	4.3	1.1	2.6	(19.6)
232	150	Do. "A" 20p	196	+4	4.3	1.1	3.1	(16.5)
106	94	Danish Bcn. 'A' £1	98	......	3.5	—	5.1	—
32	17	England (J. E.) 5p	26	......	0.8	0.8	4.4	46.2
80	70	F.M.C.	70xd	......	2.0	—	4.1	—
16	11½	Fisher (A.) 5p	12	......	0.31	3.7	3.7	11.0
80	65	Fitch Lovell 20p	70	+3	5.2	1.3	10.6	(9.4)
104	44	Glass Glover 5p	104	......	t2.4	2.6	3.3	19.4
235	98	Hazlewood 20p	223	−2	hd6.36	1.9	4.1	(15.7)
322	184	Hillards 10p	295	......	5.25	3.8	2.5	12.2
196	75	Hinton (A.) 10p	190	......	6.0	2.6	4.5	(9.8)
86	71½	Home Farm 10p	73	+1½	gd2.9	2.5	5.7	10.1
240	159	Kwik Save 10p	231	+3	†4.0	2.4	2.5	23.7

FOOD, GROCERIES—Cont.

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
58	38	Lennons Gp. 10p	58	+1	2.4	1.9	5.9	(10.8)
165	123	Linfood Hldgs.	158xd	+2½	10.0	♦	9.0	♦
36	32	Lockwoods	34#	......	0.1	—	0.4	—
80	60	Lovell (G.F.)	62	−2	‡3.0	♦	‡	♦
184	146	Low (Wm.) 20p	182	......	7.5	2.6	5.9	7.4
210	125	Matthews (B)	147	+2	b4.38	4.5	4.2	5.6
96	82½	Meat Trade Sup.	94	......	7.88	♦	12.6	♦
176	87½	Morris'n (W.) 10p	178	......	†1.25	6.8	1.0	18.7
73	35	Needlers	71	......	d2.5	4.2	5.0	5.8
270	165	Nichols (Vimto)	245	......	†9.5	3.0	5.5	8.8
194	130	Northern Foods	158	−1	th4.4	2.5	4.0	12.3
148	106	Nurdin P'k. 10p	142xd	−1	†h2.25	4.8	2.3	14.1
12	10	Panto (P.) 10p	11	......	—	—	—	—
81	27	Paterson (R.)	81xc	+2½	h1.88	2.7	3.3	12.6
49	38	Pyke Hldgs. 10p	49	......	—	—	—	—
55	43	R.H.M.	49	......	3.65	1.9	10.6	(5.9)
*190	147	Rowntree M. 50p	178	+4	7.25	2.3	5.8	8.8
£17¾	£12⅝	Safeway Stores	£15¼	+½	Q$2.60	—	9.5	—
480	330	Sainsbury (J.)	465	+2	7.25	3.2	2.2	15.9
31½	16	Single 10p	29½	+1	1.18	2.2	5.7	9.3
£10½	385	Somportex	770xd	+30	10.0	♦	1.9	♦
33	20	Squirrel H'n 12½p	33	......	†1.81	2.8	7.8	(5.2)
194	128	Tate & Lyle £1	192	......	10.5	2.2	7.8	7.0
28	22	Tavener Rut. 20p	28	......	—	—	—	—
71	53	Tesco 5p	64	+1	2.55	2.9	5.7	(6.9)
127	94	Unigate	98	−1	6.2	2.0	9.0	(6.5)
137	77	United Biscuits	127	+1	†4.37	2.5	5.0	(9.5)
50	34	Watson Phlp. 10p	48	+2	3.0	1.1	8.9	14.0

HOTELS AND CATERERS

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
80	48	Brent Walker 5p	57	+3	1.75	3.3	4.4	7.6
26½	18½	Comfort Int. 10p	18½	......	0.6	3.5	4.6	6.8
265	206	De Vere Hotels	220	......	6.0	1.1	3.9	(31.2)
35	24	Epicure 5p	32	......	†d1.25	1.8	5.6	(12.1)
222	138	Grand Met. 50p	185	−4	†6.63	2.7	5.1	8.3
144	78	♦Kennedy Br'kes 10p	138	+3	bd1.65	7.2	1.1	13.4
100	90	Kursaal (M'H.) c25	100	......	Q11.3%	2.5	3.8	10.8
*175	114	Ladbroke 10p	160	−2	t7.43	2.6	6.6	7.3
25	18	Mt. Charlotte 10p	18½	+½	0.7	2.0	5.6	(10.8)
49	30	Norfolk Cap 5p	30	......	‡1.2	1.9	‡	(7.9)
30	24	North (M. F.) 10p	24	......	0.8	1.3	4.8	20.7
85	62	Prince of Wales	65	......	1.75	2.1	3.8	(14.7)
37½	25	Queen's Moat 5p	37	......	†1.1	2.8	4.2	(14.2)
£145	£111	Do. 10½pc Cnv. 89-91	£140	......	Q10½%	—	f7.6	—
145	115	Rowton Hotels	127	......	7.0	1.7	8.1	10.4
15	9	Ryan Hotels 5p	9	......	Q36.7%	2.1	15.8	3.7
204	116	Savoy "A" 10p	204	+4	1.15	—	0.8	—
55	46	Stakis (Reo) 10p	47	......	†1.4	3.5	4.3	8.6
*167	113½	Trusthouse Forte	124	......	t6.0	2.1	6.9	8.5
430	240	Wheeler's 10p	340	......	5.88	2.1	2.5	27.8

INDUSTRIALS (Miscel.)

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
45	28	AAA Inds.	38	......	2.13	1.0	8.0	(17.9)
208	173	A.A.H.	190	+2	9.4	♦	7.1	♦
£25½	£18½	AGA AB K50	£19	−2	Q15.5%	♦	4.2	♦
*273	204	AGB Research 10p	250	+3	5.5	♦	3.1	♦
66	44	Aaronson Bros. 10p	48	−1	‡4.2	0.2	‡	—
42	31	Abbey Ltd.	40xd	+2½	Q22.5%	♦	10.9	♦
66	41	Advance Services 10p	65	......	3.0	2.1	6.6	8.4
430	315	Aero & General	320	−10	3.5	3.1	1.6	29.2
24	18	Aero Needles	23	......	B—	—	—	—
85	54	Alpine Hldgs. 5p	54	......	5.25	1.4	13.9	(6.5)
400	223	Amal. Metal (£1)	400	+5	9.0	4.1	3.2	8.2
32	24	Amber Inds. 10p	29	......	2.5	0.8	12.3	(16.0)
148	110	Appld. Computer	130	−2	0.5	♦	0.6	♦
50	35	Arenson (A) 10p	38	......	1.93	5.5	7.3	2.7
10½	6½	Armour Trust 10p	7½	......	0.13	16.7	2.4	2.6
56	43	Ashley Ind. Tst.	44	......	3.5	2.8	11.4	3.6
66	44½	Assocd. Comms 'A'	58	+1	1.5	—	3.7	—
32	20	Ass. Sprayers 10p	29½	......	d1.25	2.7	6.1	(6.8)
130	103	Ash'y & Madeley 20p	103	−2	5.0	2.7	6.9	6.8
16½	5¾	Austin F (Ley) 10p	13	......	—	—	—	—
120	80	Avon Rubber £1	120	......	‡5.0	—	‡	—
38	21	BBA Group	37	+½	1.74	—	6.9	—
160	114	B.E.T. Defd.	150xd	−1	7.57	q2.7	7.2	5.8
162	101	BOC Intnl.	160	−2	†4.62	3.3	4.1	(8.1)
£127	£117	Do. 9⅞pc Cnv. Ln. 2005	£126	+½	Q9%	—	f7.4	—
380	233	BTR	346	−3	†h7.17	2.4	3.0	16.4
244	182	Baird (Wm.) £1	206	......	12.95	2.4	9.0	5.2
32	19	Bardsey 10p	21	−1	—	—	—	15.9
233	72	Barget	185xd	+3	21.0	—	0.8	—
39	28	Barrow Hepburn	38	+2	2.2	1.4	8.3	11.0
62	34	Bath & Portland	51	−1	†2.0	2.5	5.6	8.4
£32¼	£20⅞	Baxter Trav. US$1	£28¼	+⅝	Q76c	—	1.5	—
180	76	Beatson Clark	154	......	7.0	2.1	6.5	8.4
231	159	Beecham	217	−5	6.67	1.7	4.4	(16.6)
10	8	Bellair Cos. 10p	10	+1	—	—	—	—
*46	32	Benlox 10p	37	−1	0.5	3.9	1.9	(18.9)
70	48	Berisfords	67	......	3.6	1.4	8.2	(11.4)
77	47	Berwick Timpo	47	......	6.0	2.0	18.2	3.3
488	265	Bestobell	448xd	−3½	†12.25	2.2	3.9	13.9
304	212	Bibby (J.) 50p	300	−4	†7.13	3.7	3.4	9.6
138	96	Biddle Hldgs.	136xd	+½	d9.0	2.6	9.5	5.3
35	27	Bifurcated Eng.	34	......	1.5	0.7	6.3	—
140	66	Billam (J.) 10p	140	......	5.7	4.6	5.8	4.4
35	22	Black Arrow 50p	34	......	2.5	1.6	10.5	8.2
197	94	Black (P) Hldgs	190	......	4.54	♦	3.4	♦
100	78	Blundell Perm.	100	......	4.8	1.6	6.9	13.5
72	52	Bodycote Int'l.	66	......	4.0	1.5	8.7	9.4
18	14	Bogod Pet. 'A' 10p	15	......	0.8	♦	7.9	♦
72	48	Booker McC.	61	+2	3.13	2.1	7.3	7.5
220	128	Boot (Henry) 50p	200	......	13.0	1.6	9.3	(8.0)
257	211	Boots	228	−7	7.5	2.6	4.7	10.9
£28⅛	£16¾	Borg-W. US$2.50	£26⅛	+1¼	Q$2.48	—	5.2	—
286	171	Bowater £1	236xd	−2	11.5	1.3	7.0	(15.0)
52	24	Braby Leslie 10p	46	......	2.5	—	8.3	—
72	38	Brady Inds. "A"	63	+1	4.25	1.8	9.6	(6.8)
167	122	Brammer (H.) 20p	137xd	+2	†5.5	2.5	5.7	9.6
*59½	38	Breagreen 10p	52	......	0.7	3.3	1.9	18.4
7	3½	Bridgend Proc. 5p	4	......	—	—	—	—
79	40	Bridon	69	−6	‡3.5	1.8	‡	9.0
26	18	Bridport-G 20p	24	......	‡2.41	1.5	‡	(5.9)
251	170	Brit. Aerospace 50p	233	+2	†7.8	2.0	4.8	14.9
78	59	BB & EA	70	......	2.0	♦	4.1	♦
68	42	Brit. Cine T. 12½p	47	......	2.1	0.8	6.4	(12.9)
57	40	Brit. Syphon 20p	42	......	2.6	2.7	8.8	(4.8)
189	120	British Vita	165xd	−½	†5.2	3.2	4.5	8.1
*910	655	B. H. Prop. $A2	790	+25	Q40c	♦	3.1	♦
52	38	Brook St. Br. 10p	43	......	2.14	3.4	7.1	5.8
25½	14½	Brooks Wat. 20p	23½	+2	Q7.1%	—	4.7	—
26	17	Brown Bov. Kent	20½	......	—	—	—	—
118	76	Brntons (Musselbh.)	114	......	9.46	1.4	11.9	8.0
37	22	Burco Dean	26	......	20.1	—	0.6	—
10½	5	Burndene 15p	7½	......	‡0.25	—	‡	—
32	25	Burns Ands'n 10p	25	......	2.0	2.0	11.4	5.8
140	100	♦Business Comp 10p	123	+8	u1.0	6.7	1.2	18.1
32	22	C. H. Ind'ls. 10p	29	......	2.42	0.1	11.9	—
383	294	CSR A$1	324	+8	Q18c	2.4	3.4	15.2
54	23	Camrex 20p	45xd	+1½	21.64	—	5.2	—
75	46	Canning (W.)	60	−4	3.98	2.9	9.5	5.3
37	25	Caparo Inds.	28	......	—	—	—	—
243	170	Cape Industries	170	......	11.2	1.6	9.4	(8.3)
33	20	Caravans Int. 20p	24	......	0.1	—	0.6	—
280	187½	Carlton Inds.	190xd	+2½	‡12.0	2.2	‡	(5.7)
26	19	Cawdaw Ind.	20	......	—	—	—	—
234	174	Cawoods	218	+2	3.9	4.4	2.6	10.7
25	15	Celestion 20p	24	+½	d1.0	—	6.0	—
26½	17½	Cent. Sheerwd. 5p	19	......	1.05	—	7.9	—
133	103	Centreway 50p	108	......	5.0	—	6.6	—
46	29½	Chamb'lan Ph. 10p	45	......	3.1	1.3	9.8	10.2
96	19	Change Wares 20p	26	+7	—	—	—	—
142	79	China Light HK$5.00	105	+7	tQ50c	2.2	4.4	10.2
59	39	Christie-T. 10p	55xd	......	4.0	♦	10.4	♦
240	168	Christies Int. 10p	168	−2	7.0	2.3	6.1	10.1
109	69	Chubb 20p	99	......	5.43	1.1	7.8	(16.8)
120	88	Clarke (Clement)	117	+1	2.67	4.7	3.3	8.4
70	48	Cole (R.H.)	49	......	2.0	—	5.8	—
15	10	Combined Tech 10p	13½	+1½	—	—	—	—
135	89	♦Consultants 10p	182	......	—	—	—	—
£21	£12⅞	Cont'l. Grp. $1	£18⅞	+⅝	Q$2.60	—	7.7	—
48	32	Cont. Station'y 10p	36	......	2.15	1.9	8.5	8.0
61	41	Cope Allman 5p	43	......	‡4.58	3.6	‡	2.1
53	22	Copydex 10p	53	+3	1.0	♦	2.7	♦
38	24	Cosalt	30	......	3.5	0.3	16.7	—
41	35	Courtney Pope 20p	36	−2	2.4	3.1	9.5	(3.7)
65	39½	Cowan de Grt. 10p	40	......	d3.5	0.8	12.5	(14.7)
130	98	Crean (J.)	100	......	Q39%	3.1	7.5	4.7
88	53	Crest Nichol 10p	75	+1	†h2.3	3.9	4.4	6.3
175	132	Crosby House £1	153	......	—	—	—	—
11½	6	Crosby W'd'W 10p	7	−½	0.05	—	1.0	—
343	267	Dalgety £1	336	+1	22.0	1.8	9.4	(15.8)
176	86	Davies & N'wmn.	108	−2	9.24	2.5	12.2	(3.7)
795	605	De La Rue	755	+5	21.0	2.6	4.0	(10.9)
£73	£67½	Dentsply 9pc Cv. 91-96	£69	......	Q9%	23.0	f13.7	—
15	11	Diamond St. 10p	13	......	—	—	—	5.0

INDUSTRIALS—Continued

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
108	39	Hopkins & H 20p	108	+2	2.0	—	2.6	—
76	48	Howard Tenens	64		1.55	0.6	3.5	71.0
420	250	Hunting Assoc.	300	−5	5.0	5.8	2.4	7.6
160	112	Huntleigh 10p	128xd	+2	†1.5	4.2	6.4	15.5
225	120	Hutch Whampoa $HK1	172	+3	t034c	ϕ	1.8	ϕ
15	11½	Hyman (I. & J.) 5p	13½	+½	0.83	3.9	8.8	3.3
£20⅛	£12⅝	I.C. Industries$1	£18¼	+¼	Q$2.20	—	6.7	—
70	26	ICL	31	.....	‡2.97	—	‡	—
44	35	Ingall Inds. 10p	40½	.....	‡2.5	1.6	8.8	11.2
251	188	Initial Services	248	+2	9.0	2.3	5.2	11.4
23	9	Inter-City 20p	17		—	—	—	—
85	39	J. B. Holdings 10p	83		3.0	4.9	5.2	5.4
192	110	Jacksons Bourne	183		5.0	1.4	3.9	27.0
27	12	James (M.) Ind. 10p	26½	+½	1.0	3.3	5.4	6.3
248	147	Jardine M. $HK5	176	+5	Q88c	2.0	4.7	10.9
25½	16½	Jentique	18	−½	‡1.03	—	‡	—
10	6½	Johnson & Barnes	7¾		—	—	—	—
257	152	Johnson Clnrs.	242		†7.0	3.4	4.1	7.9
*300	186	Johnson Mthy. £1	285		9.5	2.3	4.8	(8.5)
92	75	Jourdan (T.) 10p	84		5.25	1.8	8.9	8.7
81	51	Kalamazoo 10p	51	−2	‡3.75	1.4	‡	8.4
170	136	Kelsey Inds.	138		8.0	4.7	8.2	3.7
148	112	Kennedy Sm. 10p	144		4.38	ϕ	4.3	ϕ
330	250	Kershaw (A.) 5p	260xd	−4	21.75	0.6	12.0	(16.7)
75	54	Kleen-E-Ze Hldgs.	60		5.5	0.7	13.1	(17.9)
75	59	L.C.P. Hlds	68		4.3	1.0	9.0	(14.0)
48½	37	L.R.C. Int. 10p	46		2.5	1.6	7.8	10.4
56	42	Lawtex	52		‡4.0	1.0	‡	(11.0)
178	116	Lead Inds. 50p	173	+1	9.66	1.2	8.3	14.1
80	55	Leadenhall Sterlng.	73		3.5	2.8	6.8	6.7
330	210	Lep Group 10p	315	−5	16.5	2.1	7.5	7.3
28	13	Lesney Prods. 5p	20		—	—	—	—
148	73	Letraset 10p	137xd		ϕ7.14	0.7	7.4	(14.3)
45	30	Lilleshall 10p	41		3.5	2.7	12.2	(3.4)
36	25	Lon. & Liv. 10p	35	+1	1.7	3.3	6.9	5.2
128	96	London & Mid'd.	114		7.75	1.3	9.7	9.8
49½	29	Lon. & Nthn. Grp.	38		3.75	2.5	14.1	3.3
8½	5½	Long Hmbly. 10p	7¼		—	—	—	—
68	43	Longton Inds.	55xd		1.0	—	2.6	—
47	28	Lonsdale Univsl.	34	+1	‡1.85	2.9	‡	5.7
212	158	Low & Bonar 50p	192	−4	14.5	1.6	11.1	(7.4)
49	34	M.Y. Dart. 10p	34		2.9	1.8	12.2	(5.5)
168	123	M'c'rthy Ph. 20p	129	−1	7.0	3.0	7.8	5.5
78	71	Macfarlane Gp.	76xd	+1½	3.7	1.9	7.0	9.4
77	59	Macpherson (D.)	65	+1	ϕ4.2	0.8	9.2	18.9
60	52	Magnolia Group	55xd	+½	2.1	4.5	5.5	4.6
205	115	Man. Ship Can. £1	118		‡7.5	—	‡	—
51	36	Marley	42		2.25	1.6	7.8	(9.8)
26	14¼	Marling Ind. 10p	25		0.94	ϕ	5.4	ϕ
41	21	Marshall L'sy. 'A'	36		2.78	4.0	11.0	3.2
82	53	Marshall's Univ	70	−4	0.1	—	0.2	—
26	12	Martin-Black	23		—	—	—	—
£165	£126	Mathesons 7¼pc	£133	−5	Q7¼%	2.3	(5.9)	—
208	156	Maynards	204xd	+2	9.38	ϕ	6.6	ϕ
224	156	Metal Box £1	170	+2	10.71	1.0	9.0	(14.9)
126	78	Metal Closures	123xd	−1	5.4	2.5	6.3	7.4
26	14	Mettoy	16		0.1	—	0.9	—
18	10	Do. Defd.	12		—	—	—	—
29	15	Moben Grp. 10p	16		—	—	—	3.9
£161	£119	M'santo 5pc 82-6	£125		Q5%	—	(4.0)	—
*146	110	Morgan Crucible	118	+1	7.5	1.6	9.4	8.3
40	15	Moss (Robt.) 10p	37	+1	ϕ1.6	1.1	6.2	(28.5)
18	6	Myson Gp. 10p	18	+2	th0.25	—	‡	—
58	38	Nash (J. F.) Secs.	38		‡6.5	1.0	‡	6.1
£46½	£35	N.C.R. 4% 93/98	£41		Q4%	ϕ	f9.9	—
66	25	Neill&Sp'ncer10p	25		‡2.1	—	‡	—
28½	14	New Equip 10p	26		1.85	4.5	5.9	4.8
48	28	Norton	37		0.6	ϕ	2.3	ϕ
*111½	71	Norcros	97½		5.52	2.2	8.1	6.6
32	16½	Nu-Swift 5p	32xd	+4½	†2.05	1.6	9.2	9.5
140	78	Oakwood Grp.	138		ϕ6.5	3.4	7.3	5.0
420	317	Office & Elect.	408	−10	7.0	3.5	2.5	15.4
190	66	Ofrex 20p	190xd	+1	ϕ13.67	2.4	2.8	(17.3)
19	14	Overstone 12½c	16½	+½	Q3c	2.3	10.4	4.2
£75	£68½	Ozalid Fin. Cv.	£69		Q9%	—	(13.5)	—
*34	18	P.M.A. (Holdings)	18	−2	ϕ‡1.25	—	‡	—
130	103	Parker Knoll 'A'	124	−1	7.0	4.1	8.1	4.3
171	122	Pauls & Whites	171		6.5	3.2	5.4	6.3
94	72	Peerless	94		6.3	1.3	9.6	(8.9)
57	41	Pentland 10p	57	+1½	1.65	4.5	4.1	5.9
34	15	Pentos 10p	19		‡d1.4	—	‡	—

INSURANCE—Continued

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
241	180	Stewart Wr. 20p	231	−4	12.0	1.3	7.4	13.4
£10½	688	Sun Alliance £1	960	−20	†33.0	—	5.0	—
345	233	Sun Life 5p	342	−1	g9.0	—	3.8	—
758	543	Taisho Mar. EDR	672	+12	gQ10%	—	0.2	—
208	185	Trade Indemnity	205	.....	†6.34	—	4.5	—
£27½	£15⅞	Travelers $2.50	£24⅞	+1¼	Q$2.88	—	6.4	—
403	257	Willis Faber	400	.....	12.0	2.8	4.3	16.7

LEISURE

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
63½	56½	A-R TV Pref. £1	56½	.....	5.95	ϕ	15.0	—
93	72	Anglia TV 'A'	91		†5.0	4.6	7.8	3.2
148	99	Assoc. Leisure 5p	99		5.25	2.2	7.6	7.1
80½	61	Barr & W.A.T. 'A'	70	+3	3.0	—	6.1	—
65	30	Black Edgtn. 50p	56	−2	1.0	—	2.6	—
192	121	Boosey & Hawkes	148		5.67	—	5.5	—
56	34	Campari Int. 20p	42		‡4.0	1.7	‡	(5.4)
60	37	Fairline Boats 10p	37		‡d3.5	1.2	‡	9.2
58	29	Glasgow Pavilion 10p	35½		—	—	—	—
46	38	Grampian TVA 10p	38		2.75	2.4	10.3	5.7
103	74	HTV Non/Vtg.	92		10.0	2.2	15.5	4.4
104	64	Hawley Leisure	74		†‡2.67	2.9	5.2	(9.4)
*294	117	Horizon	265	+1	†5.0	4.1	2.7	14.6
96	69	‡Intasun 10p	89	+2	g2.8	4.5	4.5	5.9
64	29	††Intervision 10p	42		—	—	—	—
27	15	Lancaster (D. M.) 5p	20		0.41	2.2	3.0	14.6
110	88	LWT "A"	107		10.07	1.8	13.4	(5.1)
216	138	Mngmt. Ag. M. 10p	138	−5	8.75	2.8	9.1	4.5
72	47	Medminster 10p	72	+5	†2.7	3.9	5.4	6.5
12	8	††Nationwide 5p	9		—	—	—	67.6
50	30	Norton & Wrt. 10p	36		d1.0	—	4.1	—
*77	60	Old Swan (H'gate) 10p	68		g0.8	1.6	1.7	60.9
13	9	††Pad Atlas 20p	9		—	—	—	15.3
62	38	Photax (Lon.)	59		3.5	4.8	8.5	3.6
335	182	Pleasurama 5p	303	−7	†6.5	5.2	3.1	8.0
380	376	Saga Hols. 20p	376		†9.0	3.1	3.4	10.4
310	145	Samuelson 20p	235	+5	‡8.77	0.3	5.3	—
89	66	Scott. TV 'A' 10p	80	−2	5.95	3.3	10.6	4.1
11½	6	††Tom Hill	6½		—	—	—	6.6
57	43	Trid'nt TV 'A' 10p	52	−½	4.0	1.6	11.0	8.2
34½	20	Webb (Jos.) 5p	25		d0.56	2.7	3.2	13.2
112½	75	Zetters 5p	100	−1	†2.5	4.3	3.6	9.3

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
23	15	B.L. 50p	19	+1	—	—	—	—
150	91	Gen. Mtrs. Units	127		Q72c	—	5.2	—
60	45	‡Hesketh Motor 50p	45		—	—	—	—
280	100	Honda Motor Y50	232	+2	Q10%	11.9	0.5	17.2
36	18	Lotus Car 10p	36	+4	—	—	—	9.0
8½	3½	‡Reliant Motor 5p	7		—	—	—	—
£17½	750	Volvo Kr50	£14¼	−¼	Q16%	5.4	5.8	3.2

Commercial Vehicles

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
56	35	E.R.F. (Hldgs.)	42	+1	0.1	—	0.3	—
157	118	Plaxtons (GB)	138	+1	8.5	4.4	8.8	2.6
21	10	York Trailer 10p	13		B—	—	—	—

Components

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
55	35½	A.E.	49	+1	12.1	—	—	—
85	61½	Abbey Panels	85xd	+13½	d2.05	8.1	3.4	5.1
28	15	Airflow Stream	16		0.1	—	0.9	—
54	35	Armst'ng Eq. 10p	41		‡d2.73	3.7	‡	3.1
75	42	Automotive	64	−1	‡3.02	—	‡	—
45	21	Bluemel Bros.	28		‡3.3	1.7	‡	4.4
29½	19	Brown Bros. 10p	26	+1	ϕ—	—	—	—
£17¼	896	Dana Corp $1	£14¼	+¼	Q$1.60	—	6.2	—
37	25	††Delight	27		‡d3.8	2.4	‡	3.2
305	187	Dowty 50p	249	−3	5.0	3.4	2.9	11.3
87	57	Dunlop 50p	71		4.0	—	8.0	—
*387	229	Flight Refuelling	365	+5	†3.75	6.2	1.5	17.6
38	10½	Hmn. Smith 10p	38	+1½	†h0.37	8.7	1.7	9.4
112	80	Kwik-Fit Hldgs. 10p	89	+1½	h1.36	3.2	2.2	20.4
240	159	Lucas Inds. £1	225	−8	11.0	—	7.0	—
58	44	Solex (UK) A 50p	47	+1	0.1	—	0.3	—
61	44	Supra Group 10p	58		2.0	1.0	4.9	27.5
47	29	Woodhead (J.)	36	+1	0.1	—	0.4	—

Garages and Distributors

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
89	47	Adams Gibbon	89	+1	3.75	1.9	6.0	(11.7)
11¼	7½	Alexanders 10p	11	+½	—	—	—	6.4
67	34	Appleyard Grp.	67	+3	20.1	—	0.2	—
116	77	Arlington Motor	80		5.0	0.5	8.9	(18.7)
72	58	Attwood Garages	70	+3	‡1.45	—	‡	—
23	11½	BSG Int. 10p	18	+2	—	—	—	—
30	16	Braid Group 5p	30	+1	—	—	—	—
115	83	Bramall (C. D.)	112	+4	‡5.55	3.2	7.1	5.9
*87½	63½	Brit. Car Auct. 10p	76	+3	h3.2	1.8	6.0	13.5
138	96	Caffyns 50p	104	+6	4.5	—	6.2	—
48	26½	Cowie (T.) 5p	33		3.0	2.1	13.0	4.4
96	36	Davis Godfrey	92	+1	3.5	2.9	5.5	9.0
36	29	Dorada	31	+1	‡2.1	—	‡	—
54	36	Gates (F.G.)	54	+2	2.0	4.9	5.3	5.1
38	30	Glanfield Lawr.	33	+1	—	—	—	—
43	28	Hanger Invs. 10p	33		—	—	—	—
83	49	Harrison (T.C.)	83	+1	2.95	2.7	5.1	10.4
106	72	Hartwells	79	+2	5.37	1.7	9.7	(7.6)
99	69	Henlys 20p	79	+2	6.0	—	10.8	—
31½	23	Heron Mtr. Grp.	26	+1	0.8	—	4.4	—
47	38	Hurst (Charles)	45		2.98	ϕ	9.8	ϕ
36	23½	Jessups	28		2.0	—	10.2	—
87½	65	Kenning Mtr.	68	+½	5.5	0.1	11.6	—
124	87	Lex Service Grp.	125	−1	7.0	1.9	8.1	(7.6)
56	35	Lookers	48	+1	3.85	2.0	11.5	6.8
14½	10	Manor Nat. Grp 20p	14		—	—	—	—
12	7½	Nelson David 5p	8½		—	—	—	—
100	67	Perry (H.) Mtrs.	95	+2	3.5	2.9	5.3	9.4
67	34	Quick (H. & J.) 10p	52xd	+½	1.15	1.2	3.2	(34.7)
94	56	Tate of Leeds	82		1.25	16.5	2.2	2.8
90	72	Western Mtr.	80		—	—	—	—

NEWSPAPERS, PUBLISHERS

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
315	202	Ass. Book P. 20p	315		7.5	1.5	3.4	(21.0)
293	210	Assoc. News	212	+2	ϕ10.4	3.4	7.0	5.9
107	65	BPM Hldgs. 'A'	107	+4	†5.25	2.7	7.0	5.9
74	47	Benn Brothers	71		3.8	2.3	7.6	7.5
80	65	Black (A. & C.)	80		2.0	—	3.6	—
243	103	Bristol Post	233		11.0	0.8	6.7	27.1
263	122	Collins William	220xd	+3	b7.5	2.8	4.9	(9.7)
173	93	Do. "A"	150xd	+3	b7.5	2.6	7.1	(6.6)
523	408	Daily Mail 'A' 50p	410		†26.0	1.2	9.1	12.9
118	82	E. Mid. Allied 'A'	101	+1	3.5	3.8	5.0	9.3
201	88	Gordon & Gotch	136	−4	‡7.5	ϕ	7.9	ϕ
148	110	Haynes Pub.	145	+5	8.0	ϕ	8.2	ϕ
80	50	Home Counties	68	+3	6.5	0.7	13.7	14.5
115	95	Independent	98		Q62.9%	1.4	12.8	8.2
315	220	Int. Thomson£	250		‡12.36c	—	2.7	—
315	234	Do. Conv.	266	−4	10.5	—	f5.5	—
235	215	Link House 20p	233		18.4	2.8	5.2	14.1
148	81	L'pool D. Post 50p	144	+2	9.5	0.7	9.4	(8.2)
133	88	News Int. Sp. Div.	115		g4.5	5.3	5.7	7.0
186	149	Pearson Longman	174	+1	8.36	2.8	7.8	5.6
125	75	Portsm'th & Sund.	107		3.25	4.8	4.3	6.2
123	110	Routledge & KP	125		3.0	3.8	3.5	10.5
425	220	Smith (W. H.) Hldgs.	425xd	+3½	†7.0	5.7	2.4	10.7
225	185	Utd. Newspapers	195	+5	12.0	1.5	8.8	9.6
56	33	Websters Grp. 5p	52	+5	2.3	2.1	6.3	9.5

PROPERTY—Continued

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
56	39	Marlborough 5p	45		0.33	1.6	1.0	(71)
96	67	Marler Estates	86		2.0	2.4	3.3	(14.7)
29	23	McInerney 10p	24		Q28.6%	2.4	9.2	6.8
148	130	McKay Secs. 20p	137		2.7	ϕ	2.8	ϕ
128	76	Mountleigh	114		3.5	ϕ	4.5	ϕ
202	146	Mountview 5p	164		2.9	7.6	2.5	7.5
125	100	Muckow (A. & J.)	100		†3.88	2.5	5.6	(14.5)
400	280	New Cavendish 5p	395		—	—	—	—
209	143	North Brit. Props.	180		†2.8	1.8	2.2	36.2
161	135	Peachey	150	+1	4.0	2.3	3.8	16.8
13½	8⅛	Pennine Com. 10p	8½	+¼	—	—	—	—
75	44	Phoenix Mtn. & Fin.	60		—	—	—	—
*174	150	Prop. Hldg. & Inv.	158		3.08	1.4	2.8	35.9
265	202	Prop. Part'ship.	260		5.0	2.0	2.7	26.4
184	150	Prop. & Rev.	182		3.0	1.6	2.4	38.8
192	151	Prop. Sec. Inv 50p	155	+2	1.8	1.9	1.7	(42.8)
18	12½	Raglan Prop 1p	15		ϕ—	—	—	—
46	29	Regalian	42		—	—	—	8.0
182	130	Regional Prop.	165		2.2	2.4	1.9	31.2
180	130	Do. 'A'	158	−1	2.2	2.4	2.0	29.9
332	207	Rosehaugh 10p	316	+4	2.1	11.1	1.0	13.5
250	194	Rush & Tompkins	210		3.75	0.5	2.6	—
131	107	Samuel Props.	111	−2	†4.2	2.1	5.4	11.3
128	100	Scot. Metrop. 20p	117		†3.25	1.3	4.0	32.6
*78½	60	Second City 10p	62		b2.22	2.3	5.1	(9.5)
155	132	Slough Ests.	140	+2	†2.76	2.0	2.8	(21.3)
£283	£245	Do. 10% Conv. '90	£250		Q10%	22.2	f4.1	—
£135	£117	Do. 8% Cnv. 91-94	£118		Q8%	5.5	f6.9	—
380	313	Stock Conversn.	358		4.0	3.4	1.6	22.3
152	70	Swire Props. $HK1	92½	+2½	h040c	ϕ	4.0	ϕ
242	126	‡Thames Inv. & Secs. £1	196	−2	u5.18	1.2	3.8	(31.0)
200	105	‡Do. 12pcCv.Pf. 75p	164	−6	12%	—	7.8	—
62	49	Town Centre	49		h0.83	1.0	2.4	59.4
32½	25	Town & City 10p	25½	+½	0.01	—	—	—
184	142	Trafford Park	164		†6.0	7.6	5.2	15.4
19½	14½	Trust of Prop. 5p	19		0.27	1.1	2.0	64.0
378	206	‡Trust Secs.	322		‡v7.88	4.5	3.5	—
535	440	Utd. Real Prop.	525		6.0	1.2	1.6	75.0
395	280	Warner Estate	360		6.5	1.1	2.6	48.7
500	416	Warnford Inv. 20p	435	−5	10.0	1.2	3.3	35.7
£231½	£203¼	Wereldhave DFL20	£229½	+½	†Q36.8%	1.0	6.1	16.0
80	54	W'stmn. & C'ty P.	78	+2	†3.0	3.1	5.5	(6.4)
40	30	W'minster P. 20p	30		d0.2	4.9	1.0	23.2
29	18	Wilson Peck	22		—	—	—	—
121	68	Winston Ests.	120		ϕ1.99	4.9	2.3	11.9

SHIPPING

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
335	285	Brit. & Comm.	300		12.5	3.7	6.0	5.5
380	290	Common Bros. 50p	340		14.0	2.3	5.9	10.4
174	153	Fisher (J)	161xd		†2.15	4.4	1.9	12.9
445	300	Gotaas-Larsen $1	300		—	—	—	—
160	115	Hunting Gibson	115		6.0	3.5	7.5	4.3
42½	31½	Jacobs (J. I.) 20p	33xd	−1½	tsd2.3	1.6	10.0	7.9
46	36½	Lon. O'Seas Frts.	38½		1.07	—	4.0	—
*355	291	Lyle Shipping	315		9.5	4.8	4.3	5.4
26½	6¾	Mersey Dk. Units	24		—	—	—	—
140	92	Milford Docks £1	138		0.5	—	0.5	—
150	110	Ocean Transport	110xd	−1½	9.0	b1.5	11.7	(7.0)
163	110	P. & O. Defd. £1	115	−2	8.0	1.3	10.2	(8.2)
195	110	Reardon Sm. 50p	117	−2	1.75	7.8	2.2	6.9
178	86	Do. 'A' 50p	110		1.75	7.8	2.3	6.5
146	113	Runciman (W.)	126	+1	7.5	2.8	8.5	5.7
£12½	800	Sea Containers 12½p	£10¾		Q30c	—	1.6	—

SHOES AND LEATHER

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
57	43	Footwear Invs.	51		d5.04	0.7	14.1	15.3
83	69	Garnar Booth	83		6.25	—	10.8	—
42	32	Headlam, Sims 5p	38		2.37	3.0	8.9	(4.2)
58	33	Lambert Hth. 20p	50		4.06	2.4	11.8	(4.8)
59	35	Newbold & Burt'n.	48xd	−½	3.78	1.2	11.2	9.5
52	42	Pittard Grp.	47		4.0	—	12.2	—
29	20	Scott (David) 10p	20		1.58	1.1	12.2	(8.5)
81	54	Strong & Fisher	69		6.8	—	14.1	—
162	123	Stylo	140		3.0	6.5	3.1	—
74	52	Ward White	54	+1	4.2	1.9	11.1	5.8

SOUTH AFRICANS

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
198	102	Abercom R0.30	186	+2	Q31c	ϕ	9.5	ϕ
£12	800	Anglo Am. In. R1	£12		†Q140c	3.1	6.7	4.9
470	355	Barlow Rand R.10c	458	+11	†Q50c	3.0	7.2	4.6
92	73	Gold Flds. P. 2½c	78	+2	Q14c	2.1	10.3	4.7
545	326	Gr'mns 'A' 50c	545	+20	Q85c	2.4	8.9	4.6
920	560	OK Bazaars 50c	920	+40	Q120c	1.9	7.5	7.1
230	160	Rex Trueform 'A' 50c	230		Q45c	ϕ	12.1	ϕ
218	122	S.A. Brews. 20c	218	+5	Q27c	1.5	7.1	9.2
840	550	Tiger Oats R1	825	+10	†Q83c	3.9	5.8	4.5
150	100	Unisec 20cts.	138xd	−3½	†sQ20c	1.1	8.3	10.7

TEXTILES

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
160	114	Allied Textile	160		7.24	2.5	6.5	8.7
54	33	Atkins Bros.	52	+1	4.65	1.6	12.8	6.4
41	19	Beales (J.) 20p	41		—	—	—	—
83	57	Beckman A. 10p	81	−1	5.73	0.8	10.1	18.7
15	10	Blackwood Mort.	11½		—	—	—	—
50	34	Brit. Mohair	49½	+½	3.77	0.3	10.9	—
51	34	Bulmer L'mb. 20p	41		3.82	1.4	13.3	6.7
14	8	Caird (Dundee)	13#		ϕ—	—	—	—
34	17	Carpets Int. 50p	31½		—	—	—	—
17½	9½	Carr'gtn Viyella	14½	+½	—	—	—	—
78	53½	Coats Patons	75	+1	4.0	2.2	7.6	(7.8)
38½	28	Corah	35		2.9	1.0	11.8	(12.4)
78	50	Courtaulds	61	−1	1.0	—	2.3	—
£73¾	£68	Do. 7% Deb 82/7	£68¾		Q7%	—	e15.8	—
33	22	Crowther (J.)	23		—	—	—	—
131	91	Dawson Intl.	124	+1	h5.5	2.5	6.3	8.4
152	93	Dixon (David)	97	−1	9.95	2.6	14.7	3.3
29	20	Early (C.) & M. 10p	23		1.8	1.1	11.2	(11.0)
28	19	Foster (John)	26		0.5	—	2.7	—
70	36	Gaskell B'loom 20p	46		3.5	2.2	10.9	5.4
85	61	Hicking P'st. 50p	75		6.0	1.1	11.4	10.7
49	34½	Highams	43		3.58	2.1	11.9	4.8
17½	10½	Homfray	17		—	—	—	—
26	11	Ill'gworth M. 20p	26	+2	t1.0	—	5.5	—
15	7½	Do. 'A' 20p	14½	+1½	t1.0	—	9.9	—
31	23	Ingram (H.) 10p	26		—	—	—	—
113	47½	Jerome (Hldgs.)	105		‡2.93	2.6	4.0	12.3
61	43	Leeds Dyers	59		3.0	1.9	7.3	10.5
22	16½	Levex 5p	19¾	+½	0.5	1.2	3.6	(31.6)
49	35	Lister	37		0.1	—	0.4	—
68	44	Lyles (S.) 20p	68		5.5	1.5	11.9	7.8
53	25	Mackay Hugh	43		3.62	—	12.0	—
36	24	Martin (A.) 20p	26½		—	—	—	—
87	58	Miller (F.) 10p	85		2.2	3.5	3.7	11.1
53	41	Montfort	45xd	+1	2.0	—	6.4	—
24	20½	Muston Bros 10p	21½		—	—	—	6.7
151	103	Notts. Manfg.	144	+1	†4.0	3.4	4.0	8.8
91	47	Nova Jersey 20p	90		4.5	3.3	7.1	4.7
51	36	Parkland 'A'	42		3.7	0.3	12.6	—
11	7	Pickles (W.) & Co.	8		—	—	—	—
6	3½	Do. 'A' NV 10p	3½		—	—	—	—
30	20	Radley Fashion	26		‡d1.5	0.7	‡	(2.8)
24	16½	Reliance Knit 20p	19	+1	1.54	ϕ	11.6	ϕ
24	15	Richards 10p	18	−1	ϕ1.45	8.6	11.7	(8.8)
82	60	S.E.E.T. 20p	80	+3	3.0	6.8	5.4	3.2
27½	21	Scott Robertson	27½		1.53	—	8.0	—
30	13	Sekers Int. 10p	19xd	−1	0.1	—	0.8	—
17	11	Shaw & Marvin 10p	14		—	—	—	—
31½	23	Shaw Carpets 10p	26½		2.0	0.5	10.8	(4.6)
220	110	Sirdar	212		†15.0	3.7	3.4	10.6
95	55	Small & Tidmas	95		3.0	2.2	4.6	(11.8)
25	14	Smallshaw R. 10p	24		1.75	1.9	10.4	7.3
67½	30	Sn. Viscosa L1200	55	+1	—	—	—	—
55	31	Do. Priv. L1200	35		—	—	—	—
29	21	Spencer (Geo.)	22		0.8	1.7	5.2	(13.6)
10½	6	Stewart Nairn	10		—	—	—	—
100	37	Stirling Knit 20p	100		1.2	ϕ	1.7	ϕ
19	14	Stoddard 'A'	19		—	—	—	—
41	22½	Stroud Riley Dr'd	41xc	+1	h1.5	3.9	5.4	5.3
8½	4	Sumner (F.)	5		—	—	—	—
24	17	Sunbeam Wolsey	20		Q10.4%	—	7.7	—
66	46	Tern-Consulate	52	+3	0.5	—	1.4	—
125	64	Text'rd Jsy. 10p	100	−3	‡5.5	3.5	7.9	4.7
55	31	Tomkinsons	55		d2.0	8.9	5.2	32.5
35½	22	Tootal	29	+1	2.35	0.8	11.6	(15.7)
116	55	Toray Y50	98		Q11%	ϕ	1.3	ϕ
22	14	Trafford Carpets	21		—	—	—	—
275	150	Yorklyde 20p	270		15.0	3.7	7.9	3.7
42	25½	Yorks. Fine W. 20p	36		—	—	—	—
12	7	Youghal	12		—	—	—	—

INVESTMENT TRUSTS—Cont.

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
98	75	Dundee & Lon.	97		3.85	0.9	5.7
131	79	Edinburgh Am. Tst.	112	+1	0.8	1.1	1.0
78	61	Edinburgh Inv.	75	+1	1.96	1.0	3.7
61	47	Electra Inv. Tst.	58½	+½	2.69	1.0	6.6
132	107	Elect. & Gen.	127		2.45	1.2	2.8
550	462	Energy Res. & Serv. $5	512		—	—	—
126	109	Eng. & Internatl.	114		5.5	1.1	6.9
98	80½	Eng. & N.Y. Trust	94xd	+2	4.05	1.1	6.2
83	63	Eng. & Scot. Inv.	78½		1.8	1.1	3.3
29	24	Eng. Nat. Inv. Pretd.	29		2.36	1.5	11.6
80	73	Eng. Nat. Inv. Defd.	77		4.54	0.8	8.8
147	130	Equity Cons't £1	144		9.28	1.0	9.2
245	206	Do. Def'd 50p	234		10.15	1.0	6.2
307	263	Equity Inc. 50p	303		‡16.5	1.1	7.8
89	71	Estate Duties	84		2.3	1.1	3.9
13½	11½	F. & C. Ent. Tst. 10p	11½xd		—	—	—
56	49½	F. & C. Eurotrust	53xd	−½	1.45	ϕ	4.0
121	101	Family Inv. Tst.	114xd	+2½	6.0	1.1	7.5
14	11½	First Charlotte Assets	12		—	—	—
133	101½	First Scot. Am.	128		4.55	1.0	5.1
77½	58	Foreign & Col.	68½		h1.86	1.0	3.8
120	81	F.U.G.I.T.(R0.25)	118	+1	tQ14c	ϕ	4.8
58	48	Fulcrum Inc.	48½		4.6	1.1	13.6
6	3½	Do. Cap. 2½p	3¾		—	—	—
55½	44	Fundinvest Inc.	44		ϕ4.18	1.0	‡
144	96	Do. Cap.	121		—	—	—
111	93	G.T. Global Rec.	98		—	—	—
407	261	G.T. Japan	384		4.5	ϕ	1.7
208	173	Gen. & Comm'cl.	208		9.35	1.1	6.4
122	103	Gen. Consoldtd.	119	+1	5.9	1.1	7.1
358	265	General Funds	345		7.75	1.0	9.3
325	232	Do. Conv. 10p	315	−5	—	—	—
192	167	Gen. Investors	187		6.0	1.2	4.6
66	51	Gen. Scottish	62		2.9	1.1	6.7
207	160	Gen. St'hldrs. 12½p	202		3.7	1.1	2.6
85	71	Glasgow St'hldrs.	81	+1	†2.2	1.1	3.9
161½	134½	Globe Inv.	154½		7.5	1.0	6.9
146	114½	Grange Trust	144		3.7	1.1	3.7
141	117½	Gt. North'n Inv.	134	+1	6.6	1.0	7.0
180	137	Greenbank Tst.	140		4.0	ϕ	4.1
194	144	Greenfriar Inv.	188		2.0	1.9	1.5
312	205	Gresham Hse.	292	−5	3.66	2.2	1.8
90½	73	Gresham Inv.	90xd	+2½	3.3	ϕ	5.2
115	95	Group Investors	112		3.1	1.1	4.0
116½	98	Guardian Inv. Tst.	111½		4.7	1.0	6.0
106	74	Hambros	101		h3.0	1.1	4.2
136½	114	Hill (Philip)	132		6.1	1.0	6.6
168	118	Independent Inv.	150		0.5	ϕ	0.5
84½	69½	Industrial & Gen.	81		3.0	1.1	5.3
107	88	Internat'l Inv.	99	+1	4.15	1.1	6.0
340	236	Inv. in Success	327	−3	4.9	1.1	2.1
132	96½	Investors' Cap.	125	+1	‡3.05	1.1	3.5
208	88	Jardine Sec. HK$5	142	+4	hQ77½c	1.0	5.0
169	133	Jersey Gen. £1	165		hQ10.0	1.0	6.1
82	68	Jos Holdings	80xd	+1½	3.43	ϕ	6.2
53	42½	Jove Inv. Inc. 10p	46		4.3	1.1	13.4
9¼	5¾	Do. Cap. 2p	6¾		—	—	—
14½	11	Keep Investments 5p	£13¾	+½	0.39	0.6	4.0
230	196	Keystone Inv. 50p	218		10.5	1.2	6.9
174	125	Lake View Inv.	160	−3	3.85	1.2	3.4
85	73	Lanc. & Lon. Inv.	79		2.63	1.1	4.7
162	145	Law Debenture	152		7.25	1.2	6.8
£163⁄8	£15¼	Lazard Stg. Res.1p	£16⅜		2.59	—	—
48	39	Leda Inv. Inc. 20p	41		4.27	1.8	15.4
56	42	Do. Cap. 5p	50		—	—	—
74	30	Le Valonet	74#		ϕ2.5	1.1	5.0
109	92	Lon. Atlantic	102		4.75	1.1	6.7
141	106	Lon. & Gart. 50p	135	−2	1.5	2.5	1.6
163	138	Lndn. & Holyrood	157		5.75	1.0	5.2
49	41½	Lon. & Lennox	45		1.9	1.1	6.0
112	91	Lon. & Lomond	107		3.8	1.1	5.1
108	90	Lon. & Montrose	103		‡h3.52	1.1	4.9
153	128	Lon. & Prov.	147		5.3	1.0	5.1
117	99	Lon. Prudential	112		4.85	1.0	6.2
81	68	Lon. & S'clyde	79		†s2.05	1.3	3.7
94	74	London Trust	85		3.5	1.8	5.9
91	73	Lowland Inv	88		†3.75	1.2	6.1
251	223	M & G Dual Inc. 10p	223		‡19.4	1.8	12.4
270	206	Do. Cap. 10p	262	+4	—	—	—
104	87	Do. 2nd Dual Inc. 10p	87		7.8	1.0	12.8
59	34¼	Do. Cap. 4p	48		—	—	—
92	83	Man. & Metrop. Inv.	92	+2	22.0	0.7	3.1
78	70	Meldrum Inv.	76		3.25	1.1	6.2
65½	56	Mercantile Inv.	58½	+½	2.52	1.1	6.2
105½	88½	Merchants Tst	100		4.15	1.0	6.0
87	64	Monks Invest	80½	+½	2.4	1.8	4.3
72	49½	Mont. Boston 10p	66		1.05	1.3	2.3
19	14½	Do. Wrrts. £1	18		—	—	—
168	154	Moorgate Inv	164		7.3	1.0	6.4
77	68½	Moorside Trust	73		h3.5	1.1	6.8
84	64½	Murray Caledonian	77½	+2	H4.0	ϕ	7.6
79	62	Do "B"	73		—	—	—
75	59½	Murray Clydesdale	71	+2	1.65	1.1	3.3
69	59½	Do. B	66		—	—	—
151	116	Murray Glendevon	142	+1	2.7	ϕ	2.8
142	115	Do. 'B'	136		—	—	—
99	69½	Murray Northn.	90		1.85	1.8	2.9
91	68	Do. 'B'	87		—	—	—
91	72½	Murray Western	85	+1	†2.3	1.0	3.9
89	69	Murray Western B.	81		—	—	—
525	300	Negit S.A. $US1	380		Q13c	—	2.4
110	83	New Darien Oil Tst.	98		—	—	—
22½	18	New Throg. Inc.	20½		2.0	1.0	13.9
236	170	Do. Cap. £1	226	+4	—	—	—
55½	37½	Do. New Wrrts.	44	+½	—	—	—
149	103	New Tokyo Inv. 50p	128		—	—	—
93	79	1928 Invest.	86	+1	4.4	1.1	7.3
144	111	Nth. Atlantic Sec.	140		s4.3	1.2	4.4
122	103	Nth. Brit. Canadian	120		4.8	1.1	5.7
145	111½	Nthn. American	135		†4.6	1.0	4.9
296	230	Northern Secs	292		4.4	1.1	2.2
117	82	Oil & Assoc. Inv.	82		3.5	1.1	6.1
75	65½	Outwich Inv	71		s2.21	1.2	4.4
173	138	Pentland Inv.	165	+1	6.3	1.0	5.5
382	335	RIT 50p	368		13.5	1.6	5.2
166	137½	Raeburn	156		6.35	1.1	5.8
64	40	Rights & Iss. Cap.	56		0.19	—	0.5
141	113	River & Merc.	136		h7.5	1.0	7.9
133	112	River Plate Def.	120		h5.25	1.1	6.3
£50⅞	£38⅞	Robeco (Br.) Fl50	£48¾	+⅝	Q22%	1.0	4.5
506	388	Do. Sub. Sh's Fl5	482	+18	Q22%	1.0	4.5
£54¼	£38¼	Rolinco NV Fl50	£49¾	+¾	Q10%	1.0	2.0
541	380	Do. Sub. Sh's Fl5	490	+8	Q10%	1.0	2.0
140	104	Romney Trust	127		4.4	1.0	5.0
69	56	Rosedimond Inc.	56xd	−1	t6.1	1.0	15.6
166	118	Do. Cap.	142		—	—	—
112	98	Safeguard Ind.	105		5.8	1.1	8.0
169	137½	St. Andrew Tst.	167		t6.3	1.0	5.4
159	123	Scot. Am. Inv. 50p	146	+1	t4.0	1.0	3.9
302	228	Scot. Cities 'A'	298		10.5	1.0	5.0
89	73	Scot. East. Inv.	85xd	+2	t3.25	1.1	5.5
158	123½	Scottish Inv.	144	+1	4.3	1.1	4.3
242	168	Scot. & Merc. A.	238		—	—	—
184	135	Scot. Mort. & Tst.	175	−1	5.3	1.0	4.3
230	202	Scot. National	224	+1	t6.85	1.2	4.4
119	98	Scot. Northern	109xd	+1	3.45	1.0	4.5
90	69	Scot. Ontario	84	+1	3.15	1.0	5.5
68	53	Scot. Utd. Inv.	62	+2	†h1.53	1.0	3.5
247	197	Sec. Alliance Tst.	237xd	+3	9.15	1.1	5.5
121	97	Securities T. Sc.	113		4.9	1.0	6.2
750	575	Select Risk Inv. $US5	700		Q25c	—	2.0
156	138	Shires Inv. 50p	140		11.8	1.8	12.0
169	135½	Sphere Inv	164		6.25	1.0	5.4
212	192	SPLIT Inc. 10p	194		16.43	ϕ	12.1
127	96	SPLIT Cap. 10p	106		—	—	—
230	195½	Sterling Tst.	222		9.5	1.0	6.1
37	34	Stewart Ent Inv 10p	35		—	—	—
179	140	Stockholders Inv.	164	−1	3.5	1.2	3.0
175	130	Technology	165	+1	4.3	1.0	3.7
135	117	Temple Bar	118		7.7	1.0	9.3
29	26½	Throg. Growth	27		2.57	0.8	13.9
151	113	Do. Cap. £1	138		—	—	—
126½	97	Throgmorton	114½	+½	6.0	1.0	7.5
111	96	Tor. Invest. Inc.	111		t8.4	1.4	10.8
203	159	Do. Cap.	174		t0.86	1.4	0.7
92	73	Trans. Oceanic	85		h2.33	1.4	3.9
112	90	Tribune Invest.	106		2.7	1.4	3.6
86	72½	Triplevest. Inc. 50p	75		7.1	1.0	14.1
416	292	Do. Capital £1	362	+2	—	—	—
85	67	Trust Union	83		3.05	1.1	5.2
78½	65	Trustees Corp.	71		2.95	1.0	5.9
172	147	Utd. Brit. Secs.	163		7.0	ϕ	6.1
116	102	US Deb. Corp.	107		5.58	1.0	7.4
275	233	U.S. & General Tst.	260		10.5	1.0	5.8
114	88	Viking Resources	100		0.66	1.2	0.9
97	76	W. Cst. & Texas 10p	95		1.3	1.3	2.0
208	165	††Welsh Ind. Inv.	205		—	—	—
384	363	Wemyss Inv. £1	373		19.0	1.1	7.3

OIL AND GAS—Continued

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
365	260	††Cambridge Pet. 20p	320	.....	—	—	—	—
230	157	‡‡Candecca Res.	175	+1	—	—	—	ϕ
189	118½	Carless Capel 10p	143	+3	2.75	1.7	2.7	27.0
89	67	Century 10p	73		2.8	2.8	5.5	7.6
190	135	Ceres Res. C$5.00	135	−5	—	—	—	—
104	58	Charterhall 5p	66	+1	—	—	—	—
94	69	Charterhouse Pet.	79		t0.75	3.8	1.4	20.8
£23½	812	Cie Fr. Petroles B.	£11⅞		Q54%	ϕ	20.9	ϕ
28	10½	Claremont Pet NL	15	+1	—	—	—	—
296	205	‡Cluff Oil £1	230	−5	—	—	—	—
304½	205	‡Do. Cnv. A	295		—	—	—	—
210	143	‡Clyde Petroleum	162	+2	0.55	1.8	0.5	—
27	13	Collins (K) Pet 1c	15½		—	—	—	—
235	92	††Conroy Pet. (SO.25)	163		—	—	—	—
42	34	Dorset Res. C$1	34		—	—	—	—
345	135	Double Eagle$	140	+5	—	—	—	—
63	55	E. Scotland Offshore	56	+1	g0.83	—	2.2	—
278	208	††Edinburgh Secs.	240	−2	t0.15	—	0.1	—
185	100	††Egnton Oil & Gas	105	−5	—	—	—	—
117	80	Energy Capital 12½p	83		—	—	—	—
25	11	††Energy Sources 10p	12	−½	—	—	—	—
120	77	Falmouth Pet.‖	90		—	—	—	—
190	130	Flair Res.	140	+10	—	—	—	—
*134½	82	‡Floyd Oil 10p	98	+1	—	—	—	—
345	164	††Gaelic Oil 20p	180	−10	—	—	—	—
555	410	‡Gas & O. Acre 20p	410		—	—	—	—
220	128	Genoa Oil NL 50c	153	+5	—	—	—	—
£10¾	375	Global Nat. Res. US$0.01	840	+25	—	—	—	—
438	238	Gulfstream Res. Can.$	330	+8	—	—	—	—
140	128	Hamilton Oil (G.B.) 10p	130	+2	u1.0	18.4	1.1	7.1
55	26	Hansa Pet C$1.00	27	−1	—	—	—	—
34½	22	Humboldt EngyC$1	25		—	—	—	—
258	204	Hunting Petrol	218		6.5	3.3	4.4	8.0
22	16	‡ICC Oil 10p	19	+1	—	—	—	27.7
267	169½	Imp. Cont. Gas £1	283		8.0	1.7	4.2	(11.6)
£111½	£82	Do. 8pc Cv Un 95-2000	£85		Q8%	12.6	f9.0	—
352	155	International Pet.‖	270	+35	—	—	—	—
88	58	‡Jackson Explo.‖	84	−2	Q1.5c	—	1.0	—
*24½	9½	††Jessel Tst. 5p	15	+1	—	—	—	—
206	120	KCA	134	+4	5.25	1.2	5.6	(8.2)
85	60	KCA Drilling	70	+4	b3.75	1.7	7.7	9.0
735	491	LASMO	495xd	+4	ϕ10.0	2.9	2.9	(11.5)
£101	£92¼	LASMO 14% 1981-83	£95¾	+¼	Q14%	—	14.6	—
£12¾	887	LASMO "Ops" 10p	£11⅛	−⅛	g120.63	—	15.5	—
535	260	Magellan Pet.	260		—	—	—	—
27	14	Magnet Metals 10c	16		—	—	—	—
170	115	††Marinex Pet. 10p	138	+4	—	—	—	—
500	187	Moonie Oil A$0.25	200		Q2½c	3.5	0.8	37.6
142	72	NCC Energy 10p	100		d1.75	—	2.5	—
*92	46	‡New Court Nat. 5p	50		1.0	1.8	2.9	26.0
162	132	††Nth. Sea Assets 50p	153	−2	2.0	1.0	1.9	—
225	125	††ORE 10p	213		—	—	—	25.5
23	17½	Offshore 10c(pp)	19½	+½	—	—	—	—
262	105	Ohio Resources	138	−2	—	—	—	—
46	35	Oil & Gas Prod $0.02	44		—	—	—	—
10	5	Do. Part Pd.$0.02	6		—	—	—	—
345	180	Palliser Res.‖	195	+15	—	—	—	—
55	42	††Penine Res.	46	+2	—	—	—	—
445	210	‡Pict. Pet. £1	210		—	—	—	—
99	56	Premier Cons. 5p	64	+1	—	—	—	—
810	530	Ranger Oil‖	601	+31	—	—	—	—
£22	£15½	Royal Dutch Fl.10	£17½xd	+⅓	Q68½%	3.9	7.7	3.4
230	155	S. & K Pet. US$5.00	160	+5	—	—	—	—
187	135	SASOL R1	187	+5	Q20c	ϕ	6.3	ϕ
460	272	Santos A0.25c	340	+15	hQ4.3c	1.5	0.8	—
730	540	Sceptre Res.‖	601	+31	—	—	—	—
81	33	Shackleton Pet.	35	+2	—	—	—	—
470	331	Shell Trans. Reg.	372	+4	19.1	3.0	7.5	(5.0)
58	48	Do. 7%Pf. £1	49		4.9%	17.0	14.3	—
285	208	Siebens (UK)	216		5.0	2.5	3.3	15.3
430	278	‡Sovereign Oil	360	+15	—	—	—	—
85	63	‡‡Status Res. (Brit.)	65		—	—	—	—
218	58	Strata Oil N.L.	70	+6	—	—	—	—
220	170	Sunmark Pet.	175	−7	—	—	—	—
490	230	‡‡Sun (UK) Royalty 1p	240	+10	—	—	—	—
101	89	TR Energy	91		—	—	—	—
£99	£67½	Texaco 4¾% Cnv.	£68½		Q4¾%	—	f6.9	—
230	165	Tri Basin Res.‖	177	+7	—	—	—	—
332	204	Tricentrol	244	+2	8.4	3.5	4.9	8.3
537	420	Ultramar	475	−8	†11.0	5.6	3.3	6.1
285	155	Warrior Res.‖	160	−5	—	—	—	—
31	24	Weeks Aust.	25	−1	—	—	—	—
490	295	Weeks (B'muda) 10c	295	−5	—	—	—	—
490	300	Do. Pf. (Aust.) 10c	300	−10	Q1.92	—	0.6	—
142	90	Westfort Pet.‖	105	+10	—	—	—	—
158	88	Woodside A50c	94	+2	—	—	—	—

OVERSEAS TRADERS

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
39	33½	African Lakes	36		h1.0	6.4	4.0	4.6
71	52	Assam Trading B 10p	63xd	+1½	1.5	—	3.4	—
192	140	Aust. Agric. 50c	175	+8	Q15c	1.4	5.2	13.5
135	83	Berisford (S. & W.)	127		t7.5	2.3	8.4	(7.3)
34	15	Borthwick (Thos.) 50p	16	−2	0.01	—	—	—
187	97	Boustead 10p	127		1.25	1.2	1.4	—
105	55	Finlay (James)	86		h4.17	1.9	6.9	9.3
237	160	Gill & Duffus	216	+5	8.4	2.7	5.6	(7.4)
£25½	£20	Gt. Nthn. £10	£25		Q12%	1.1	4.8	19.0
975	737	H'ris'ns. Cros. £1	800		28.0	1.7	5.0	(15.8)
475	348	Inchcape £1	340	−5	18.15	1.4	7.6	(11.9)
25	18	Jacks Wm.	21		‡0.35	2.3	‡	(11.3)
108	83	Lonrho	86xd	+3	s9.0	1.2	15.0	(7.7)
50	44	Mitchell Cotts	48½	+½	3.61	1.5	10.6	(7.6)
193	123	Nesco Invests.	163		7.02	0.2	6.2	—
53	36	Ocean Wlsns. 20p	46		2.6	1.2	8.1	(13.1)
167	110	Pat'son. Zoch. 10p	125		‡h3.5	6.7	4.0	5.3
165	110	Do. 'A' N/V 10p	123		‡h3.5	6.7	4.1	5.2
119	66	Sime Darby M$0.5	85		†Q10.8c	ϕ	3.7	ϕ
215	127	Steel Bros.	215		8.0	2.7	5.3	7.9
78	49	Tozer Kems. 20p	78	+2	2.39	1.6	4.3	(17.0)
£100½	£93½	Do. 8pc Ln. '81	£100½		Q8%	96.3	f4.7	—
252	185	Warren Plants.	187		10.0	2.3	7.6	7.7

RUBBERS AND SISALS

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
132	98	Anglo-Indones'n.	98		3.33	0.6	5.0
127	91	Barlow Hldgs. 10p	109	+2	s3.0	8.9	3.9
103	68	Bertam Cons. 10p	86xd	+1	0.88	ϕ	1.5
510	380	Castlefield 10p	380		†6.0	2.3	2.3
65	45	Cons. Plants M$0.5	45xd	+½	sQ14.3c	ϕ	7.2
6½	5½	Grand Central 10p	5½		—	—	—
£10	650	Guthrie £1	875	+15	ϕ30.0	1.6	4.9
230	166	Harrisons Mly. Est. 10p	200xd	+½	s8.0	ϕ	5.7
92	47	Highlands M50c	50	+1	ϕQ15c	0.9	6.8
71½	43	Kuala Kepong M$1	44	+1	Q5c	ϕ	2.6
76½	47½	††Kulim M50c	47½		Q12c	1.6	5.9
420	290	Ldn. Sumatra 10p	300		ϕ8.0	3.5	3.9
171	85	Malakoff M$1	85		Q17½c	ϕ	4.6
85	48	Malay. Plants. M$1	49	+1	Q18c	1.3	8.3
163	125	Rightwise 10p	128		1.0	10.3	1.1

TEAS

India and Bangladesh

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
295	229	Assam Dooars £1	255		6.0	1.7	3.4
205	193	Assam Frontier £1	193		10.0	2.3	7.4
420	380	Lawrie Plants £1	415		18.5	2.9	6.4
355	255	McLeod Russel £1	255		7.5	—	4.2
290	260	Moran £1	260		5.0	—	2.7
213	188	Williamson £1	198		12.5	2.4	9.0

Sri Lanka

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
450	355	Lunuva £1	415	.....	s21.0	1.3	7.2

Africa

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
65	57	Ruo Estates	57	.....	ϕ1.0	4.3	2.6

MINES—Continued

Australian

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
45	32	Acmex 50c	42		Q2.5c	—	3.7
41	14	ACM 20c	32		—	—	—
21	11½	Argosy Gold NL 25c	12		—	—	—
229	137	Bond Corp.	174		Q10c	ϕ	3.6
112	76	Bougainville I Kina	107	+5	‡Q25.4c	1.0	‡
302	214	CRA 50c	236	+10	Q19c	1.7	4.9
25	14	Canada Northwest	14		—	—	—
35	15	Carr Boyd 20c	17		—	—	—
415	46	Central Pacific	54	+8	—	—	—
35	12	Cons. Gold Mg. N.L. 50c	12		—	—	—
47	18	Cultus Pacific N.L.	20	+2	—	—	—
68	22	Eagle Corp. 10c	32	+1	—	—	—
40	26	Endeavour 20c	26#		—	—	—
560	310	G. M. Kalgoorlie 25c	568	+60	Q32½c	ϕ	3.6
25	8	Great Eastern	10		—	—	—
185	95	Greenbushes Tin 50c	128	+18	Q6c	1.9	2.9
275	175	Hampton Areas 10p	185		2.5	3.1	1.9
168	37	Haoma Gold N.L.	37	−3	—	—	—
85	22	Intl. Mining	27		—	—	—
118	29	Jimberlana (50cFP)	36	+3	—	—	—
15	10	Kalbara Min 20c	13		—	—	—
245	135	Kitchener NL 25c	220	+10	—	—	—
105	22	Leichhardt Expln.	34	+4	—	—	—
430	275	Meekatharra	420	+10	—	—	—
70	44	Metals Ex. 50c	50xd	+7	g05c	ϕ	3.7
38	20	Metramar Mns. 20cts.	23		—	—	—
20	10	Mid East Mins. NL	12	+1	—	—	—
290	190	M.I.M. Hldgs. 50c	260	+8	Q15c	ϕ	3.6
21	8½	MineRelds Expl. 25c	9½		—	—	—
20	13	Newmetal 20c	19		—	—	—
69	41	Nickelore N.L.	48	−4	—	—	—
204	149	North B. Hill 50c	175		Q18c	3.1	6.4
84	50	Nth. Kalgurli	78	+3	—	—	—
200	94	Nth. Mining Corp.	176#		ϕ—	—	—
122	30	N. West Mining N.L.	30	−2	—	—	—
150	106	Oakbridge 50c	130	+2	Q6½c	ϕ	3.1
185	115	Oilmin N. L.	115	−5	—	—	—
188	160	Pacific Copper	164		—	—	—
*423	146	Pancont'l 25c	170	+14	—	—	—
88	42	Paringa M&Ex.5p	80		ϕ—	—	—
525	375	Peko-Wallsend 50c	415	+10	Q15c	—	2.2
43	24	Pelsart Res NL	27		—	—	—
120	65	Seltrust A	74	+2	—	—	—
157	20	Southern Pacific	26	+6	—	—	—
100	40	Swan Resources 20c	60	+2	—	—	—
320	135	Vultan Mins 20c	135		—	—	—
18½	9½	West Coast 25c	13½	+1	—	—	—
130	100	Westn. Cont 50c	115		—	—	—
335	227	Westn. Mining 50c	330	+16	Q14c	ϕ	2.6
27	14	Westmex	15		—	—	—
76	46	Whim Creek 20c	54		—	—	—
101	40	York Resources	41		—	—	—

Tins

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
16	8½	Amal Nigeria 1p	9		‡l6.0	—	—
300	220	Ayer Hitam $M1	220		‡Q205c	1.0	‡
210	98	Geevor	173	+3	—	—	—
11	8	Gold & Base 12½p	11		—	—	—
660	500	Gopeng Cons.	500		‡30.0	1.8	‡
450	330	Hongkong	330		21.0	ϕ	9.1
137	110	Idris 10p	116		‡9.0	0.8	‡
*29	6	Jantar 12½p	24		N1.5	ϕ	8.9
98	77	Kamunting $M0.50	77		Q27½c	0.8	0.0
665	363	Killinghall $M1	525		hQ66.7c	ϕ	2.9
114	88	Malay Dredging 10c	114#		‡Q38c	0.9	7.7
68	30	Pahang	32		‡0.63	0.8	‡
118	90	Pengkalen 10p	185		3.5	0.6	4.8
380	310	Petaling $M1	310		‡Q180c	1.4	‡
25	19	South Crofty 10p	24#		—	—	—
225	190	Sungei Besi $M1	190		Q310c	1.1	36.8
185	95	Supreme Corp. $M1	100		gQ15½c	ϕ	3.5
118	100	Tanjong 15p	100		3.5	3.7	5.0
90	67	Tongkah H. Tin $Sm	67		Q23%	0.4	6.8
410	260	Tronoh $M1	260		Q110c	1.2	9.5

Copper

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
410	165	Messina R0.50	370	.....	†Q45c	4.7	7.0

Miscellaneous

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
175	75	Anglo-Dominion	85		—	—	—
55	10	Barymin	10		—	—	—
25½	14	Burma Mines 10p	17		0.75	0.9	6.3
330	180	Colby Res. Corp.	240	+5	—	—	—
310	200	Cons. Murch. 10c	300	+10	tQ30c	1.8	5.7
9½	6	††Exploura Gold	9½		—	—	—
98	53	††Hemerdon 10c	53		—	—	—
180	95	Highwood Res.	95		—	—	—
505	300	Northgate C$1	375	+15	—	—	—
633	572	R.T.Z.	522	−8	16.0	3.2	4.4
£130½	£93½	Do. 9½% Cn. Un. Ln. '95-2000	£117½	−1	Q9½%	—	f8.1
103	17½	††SPO Minerals 10p	17½		—	—	—
47	22	Sabina Inds. C$1	23	−1	—	—	—
44	23	††SWCM 10p	30		—	—	—
585	465	Tara Exptn. $1	575	+10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ *Tax-free to non-residents on application.*
- ϕ Figures or report awaited.
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- \# *Price at time of suspension.*
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ϕ Merger bid or reorganisation in progress.
- ϕ Not comparable.
- ϕ Same interim; reduced final and/or reduced earnings indicated.
- ϕ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ *No par value.*

ϕϕ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ★★ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n *Rights issue pending.* q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v *Tax free up to 30p in the £.* y *Dividend and yield based on merger terms.* z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xC ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	46	.....
Bertrams	10	.....
Bdg'wtr. Est. 50p	465	.....
Craig & Rose £1	£13	.....
Finlay Pkg. 5p	22	.....
Graig Ship. £1	£21	.....
Higsons Brew.	67	.....
Holt (Jos) 25p	543	+20
I.O.M. Stm. £1	157	.....
Pearce (C. H.)	360	.....
Peel Hldgs.	101	+1
Sheff. Refrshmt	92	.....
Sindall (Wm.)	194	.....

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£92½	.....
Nat. 9¾% 84/89	£69¾	.....
Fin. 13% 97/02	£79⅝	.....
Alliance Gas	63	.....
Arnott	225	.....
Carroll (P.J.)	78	.....
Concrete Prods.	90	.....
Helton (Hldgs.)	28	.....
Irish Ropes	44	.....
Jacob	66	.....
T.M.G.	16	.....
Unidare	75	.....

OPTIONS

3-month Call Rates

Industrials	
A. Brew	6½
BOC Intl.	11
B.S.R.	7
Babcock	11
Barclays Bank	36
Beecham	18
Blue Circle	35
Boots	20
Bowaters	24
Brit. Aerospace	17
B.A.T.	25
Brown (J.)	9
Burton Ord.	14
Cadburys	7½
Courtaulds	7
Debenhams	10
Distillers	17
Dunlop	8½
Eagle Star	25
F.N.F.C.	3
Gen. Accident	30
Gen. Electric	60
Glaxo	28
Grand Met.	18
G.U.S. 'A'	44
Guardian	30
G.K.N.	15
Hawker Sidd	25
House of Fraser	14
I.C.I.	20
"Imps"	7
I.C.L.	6
Ladbroke	30
Legal & Gen.	20
Lex Service	10
Lloyds Bank	28
"Lofs"	4½
London Brick	7
Lucas Inds.	18
"Mams"	28
Mrks. & Spncr	11
Midland Bank	26
N.E.I.	8
Nat. West. Bank	32
P & O Dfd.	12
Plessey	28
Racal Elect.	34
R.H.M.	5
Rank Org. Ord.	18
Reed Intnl.	25
Sears	5
Tesco	5½
Thorn EMI	30
Trust Houses	15
Tube Invest.	18
Turner & Newall	10
Unilever	50
Utd. Drapery	6½
Vickers	18
Woolworths	6

Property	
Brit. Land	8
Cap. Counties	11
Land Secs.	37
MEPC	20
Peachey	15
Samuel Props.	13
Town & City	2¾

Oils	
Brit. Petroleum	33
Burmah Oil	16
Charterhall	8
KCA	22
Premier	7½
Shell	32
Tricentrol	30
Ultramar	44

Mines	
Charter Cons.	21
Cons. Gold	45
Lonrho	9
Rio T. Zinc	45

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 38

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

MINES

Central Rand

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
£12¾	632	Durban Deep R1	£12¾	+⅝	‡Q460c	2.7	‡
£12⅝	489	East Rand Prp. R1	840	+28	‡Q370c	3.1	‡
£39⅝	£19¾	Randfont'n Est. R2	£30¾	+½	‡Q1100c	2.4	‡
214	88	West Rand R1	168	.....	‡Q17½c	14.5	‡

Eastern Rand

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
188	98	Bracken 90c	182	+3	Q60c	ϕ	20.2
106	34	Cons. Modd'fein 5c	101	.....	—	—	—
152	77	East Dagga R1	140	+11	Q15c	0.8	6.1
491	303	ERGO R0.50	489	.....	Q200c	1.2	23.5
498	249	Grootvlei 25c	498	+8	‡Q204c	1.2	‡
868	492	Kinross R1	868	+27	Q166c	ϕ	11.4
168	91	Leslie 65c	168	+6	Q54c	ϕ	19.6
240	101	Marievale R0.25	190	+8	‡Q120c	1.0	‡
*309	147	S. African Ld. 35c	294	.....	gQ55c	1.5	10.7
140	76½	Viakfontein 70c	140	+6	†Q40c	1.4	16.4
£18¾	£10	Winkelhaak R1	£18¾	.....	Q410c	ϕ	13.1
110	51½	Wit. Nigel 25c	106	+5	—	—	—

Far West Rand

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
847	518	Blyvoor 25c	784	.....	Q260c	ϕ	19.0
£23¾	£10⅝	Buffels R1	£23¾	+½	Q710c	ϕ	17.1
240	142	Deelkraal R0.20	224	+6	Q5c	3.2	1.3
£13⅞	614	Doornfontein R1	£13⅞	+¼	Q335c	ϕ	14.3
£16⅝	940	Driefontein R1	£16¼	.....	†Q940c	1.2	12.0
*366	202	Elandsrand Gld. 20c	302	+16	—	—	—
242	121	Elsburg R1	209	+8	‡Q78c	1.8	‡
£35¾	£22⅛	Hartebeest R1	£35¾	+1	Q1025c	ϕ	16.4
£19	£11⅞	Kloof Gold R1	£19	+⅛	Q400c	ϕ	12.0
£12⅞	624	Libanon R1	£12⅞	.....	Q330c	ϕ	14.7
£19	£11¼	Southvaal 50c	£19	.....	‡Q430c	1.0	‡
£11⅞	645	Stilfontein 50c	994	+13	‡Q460c	1.4	‡
£40½	£26½	Vaal Reefs 50c	£40½	+1⅛	‡Q1320c	1.5	‡
700	354	Venterspost R1	700	+42	Q275c	ϕ	19.2
389	195	Western Areas R1	313	+10	‡Q120c	2.1	‡
£28½	£16¼	Western Deep R2	£23¾	+¾	‡Q800c	1.4	‡
641	391	Zandpan R1	616	.....	Q173c	ϕ	16.1

O.F.S.

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
300	210	Free State Dev. 50c	300	.....	Q47½c	1.9	9.1
£25¼	£15⅛	F.S. Geduld 50c	£23½	+¼	‡Q950c	1.9	‡
£10½	556	Harmony 50c	910	+13	‡Q360c	ϕ	‡
248	118	Loraine R1	233	+20	—	—	—
£25¾	£14⅛	Pres. Brand 50c	£25¾	+½	†Q695c	2.2	15.4
£21½	£12⅞	Pres. Steyn 50c	£21¼	+½	‡Q665c	1.4	‡
£29½	£14⅛	St. Helena R1	£29½	+⅞	†Q723c	1.3	18.4
546	240	Unisel	546	+14	Q95c	ϕ	10.4
850	544	Welkom 50c	826	+7	ϕQ288c	1.3	19.4
£38½	£22⅞	W. Holdings 50c	£35½	+½	ϕQ1500c	1.1	24.2

Finance

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
46	27	Afex Corpn. 16⅔p	32	.....	Q0.88	12.5	2.8
£18	£11	Ang. Am. Coal 50c	£17	+¼	Q108c	3.0	3.6
815	617	Anglo Amer. 10c	815	+30	Q110c	2.1	7.7
£51⅛	£34½	Ang. Am. Gold R1	£50⅝	+⅛	‡Q1150c	1.2	‡
£23	£17	Ang-Vaal 50c	£22	.....	Q300c	ϕ	7.8
280	188	Charter Cons. 2p	258	−2	10.0	3.0	5.5
543	420	Cons. Gold Fields	528	−7	§22.5	2.2	6.1
30	18	East Rand Con. 10p	25	.....	1.05	2.0	6.0
£12¼	620	Gencor 40c	£12¼xd	+½	†Q150c	2.3	7.0
£45⅝	£21⅛	Gold Fields S.A. 25c	£45⅝	+1⅛	Q500c	ϕ	6.3
£41	£25¾	Jo'burg Cons. R2	£41	+½	Q600c	ϕ	8.8
880	560	Middle Wit 25c	810	+20	Q85c	ϕ	6.0
710	512	Minorco $BD1.40	560	.....	ϕF030c	1.3	2.4
274	156	New Wit 50c	252	.....	Q46c	1.8	11.4
£35	£14⅝	Patino NV Fls.5	£34⅝	+¾	sQC50c	ϕ	0.6
255	162	Rand London 15c	175	.....	—	—	—
112	63	Rand Lon. Coal 50c	70	+3	—	—	—
43	30	Do. Pref. 50c	33	+1	Q8.5c	—	15.4
380	230	Rand Mn. Props. R1	365	+10	ϕQ24c	2.1	3.8
448	289	Sentrust 10c	448	+28	Q94c	ϕ	12.0
134	85	Silvermines 2½p	88	+1	Q17½%	2.6	3.8
375	228	Tanks Con. 50p	355	+3	Q14.0	—	4.2
90	86	Do. Pref. 80p	90	.....	Q9%	—	8.0
£27½	£17	T'vaal Cons. Ld. R1	£26	.....	tQ225c	3.5	4.9
680	380	U.C. Invest R1	680	+30	Q150c	1.3	12.6
152	70½	Vogels 2½c	140	.....	Q16c	1.6	6.5

Diamond and Platinum

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
£47	£36⅝	Anglo-Am. Inv. 50c	£45	+1	Q890c	1.0	11.3
422	340	De Beers Df. 5c	392	+6	Q75c	2.5	11.2
800	650	Do. 40pc Pf. R5	775	.....	Q200c	367.3	14.8
455	285	Impala Plat. 20c	430	−5	Q110c	ϕ	14.6
220	122	Lydenburg 12½c	218	−2	ϕQ33.2c	1.0	8.7
315	206	Rus. Plat. 10c	300	−10	ϕQ40c	2.5	7.6

Central African

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
210	115	Coronation 25c	135	.....	Q60c	ϕ	27.9
650	220	Falcon Rh.50c	225	.....	‡Q205c	1.8	‡
135	100	Roan Cons. K4	100	.....	ϕQ0.13	ϕ	8.1
59	34	Wankie Col. Rh.1	35	.....	‡Q10c	1.7	‡
32	22	Zam.Cpr.$BD0.24	23	.....	Q3½c	0.9	8.4

INDUSTRIALS—Continued

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
35	28	Do. Defd. 20p	22		—	—	—	—
56	32	Petrocon 12½p	54		20.75	—	2.0	—
26	12	Phillips Patents	26		1.0	—	5.5	—
375	353	Photo-Me 50p	353		ϕ9.45	4.1	3.9	9.1
358	250	Pilkington Br. £1	316	−8	10.5	3.2	4.8	7.2
£82	£62	Pitn'y Bowes Ln.	£65		Q5½%	ϕ	8.7	—
39	18	Plastic Const. 10p	28		d2.67	2.2	13.6	5.3
10	5	Platignum 5p	8	−½	0.01	—	—	—
160	70	Polymark 10p	90	+2	3.7	1.5	6.0	(13.7)
*506	380	Portals	498	−2	†12.25	3.3	3.6	9.3
286	213	Powell Duff. 50p	264		14.25	2.8	7.7	(7.6)
94	58	Press (Wm.) Grp. 10p	89	+2	g2.76	2.4	4.5	11.7
146	118	Prestige Group	145		6.88	2.4	6.8	7.5
177½	111½	Pritchard Svs. 5p	170xd	−1	ϕ5.0	1.5	4.2	20.9
53	35	R.F.D. Group 10p	53	+1	2.8	1.4	7.5	(12.5)
64	47	Radiant Mtl. 12½p	64	+2	3.0	2.0	6.9	10.3
216	150	Rank Org.	163xd	+4	10.8	1.7	9.5	7.5
308	174	Reckitt & Colman	272	−2	†8.5	2.8	4.5	(11.0)
200	146	Redfearn Glass	147		‡10.56	—	‡	—
47	36	Reed Exec 10p	44	+1	1.5	1.0	4.9	(21.1)
286	180	Reed Intl. £1	276	+8	13.0	3.0	6.7	(5.5)
121	73	Relyon PBWS	111		†4.8	2.4	6.2	7.7
205	125	Renown Inc. Y50	175		tQ22%	—	1.4	—
90	68	Renwick Group	85		ϕ13.5	3.3	‡	5.7
102	62	Restmor	90	−2	5.0	ϕ	7.9	ϕ
30	18	Rexmore	24	−1	1.0	—	6.0	—
*590	420	Ricardo	492		†8.5	3.8	2.5	13.2
89	39	Riley (E. J.) 10p	82		3.5	1.5	6.1	15.1
29	20	††Roche Plast 10p	26		1.2	8.2	6.6	—
20	12	Rock Darham 10p	18		—	—	—	6.1
79	48	Rockware	62	+1	2.1	5.1	4.8	4.4
68	46	‡Rolfe & Nolan 10p	54	−1	1.5	2.7	4.1	10.9
225	166	Ropner Hldgs.	210		6.5	4.8	4.4	7.1
222	162	Do. 'A'	200	−7	6.5	4.0	4.6	6.8
17	8	Rotaprint 20p	15		0.1	—	1.0	—
42	35	Rowan & Boden	35		2.21	3.0	9.0	(4.1)
293	205	Royal Worcs.	212xd		8.6	3.5	5.8	5.8
162	72½	Russell (A.) 10p	162xc	+4½	h1.25	5.7	1.1	18.2
16½	12	Ryan (L.) 5p	12½		—	—	—	11.0
114	83	St. George's Gp. 10p	98		F3.75	2.9	5.8	(8.5)
£12¾	800	St.-Gobain Fr. 100	987#		Q18.3%	2.9	17.1	2.0
235	166	Sale Tilney	235		7.5	3.5	4.6	6.9
61	43	Sandhurst Mkt. 10p	51		1.93	2.4	5.4	8.9
85	40	Sangers Grp.	64	+2	1.8	—	4.0	—
164	93	Scapa Group	153	+1	6.55	2.0	6.1	9.5
£39⅞	£28½	Schlumberger $1	£32⅞	+⅞	ϕQ83½c	—	1.4	—
140	120½	Scottcros	126	−2	5.52	2.4	6.3	(7.7)
36½	28	Scot. Heritable	35		2.5	1.5	10.2	(8.3)
71	52	Sears Hldgs.	57½		2.3	2.3	5.9	10.6
210	160	Securicor Gp.	198		†1.61	b9.5	1.2	12.6
195	152	Do. 'A' N-V	198		†1.61	b9.5	1.2	11.9
210	160	Security Services	198		†2.71	3.4	2.0	17.9
205	154	Do. 'A' N-V	198		†2.71	3.4	2.0	17.9
155	103	Sharna Ware 20p	127xd	+1½	3.47	3.8	3.9	7.4
228	94½	Sidlaw Inds 50p	200	+2	†3.0	—	2.1	—
204	156	Siebe Gorman	194	−3	7.26	2.6	5.3	8.2
93	47	Silentnight 10p	89	+1	3.5	2.4	5.6	9.0
37	23	Silv'thorne 10p	35		1.5	3.4	6.1	6.8
80	62	Simpson (S.) 'A'	76		ϕ4.26	2.2	‡	7.7
280	235	Sketchley	277	+2	9.0	2.2	4.6	14.1
113	77	Smith&Neph. 10p	100	−½	th3.47	2.1	5.0	(11.0)
401	256	Smiths Inds. 50p	375		ϕ10.0	4.2	3.8	10.1
30	21	Solic. Law 20p	29		—	—	—	—
21	14	Somic	20		1.0	—	7.1	—
510	420	Sotheby P.B.	427		ϕ12.5	2.4	4.2	11.4
100	65	Spencer (G. W.) 20p	77	+2	2.8	2.9	3.7	(14.3)
123	90	Spear (J.W.)	90		6.0	2.0	9.5	(6.3)
121½	93	Spring Grove	93		4.0	2.5	6.1	7.3
59	40	Staffs. Potts	43		‡1.13	3.5	‡	8.3
100	83	Stag Furniture	95		5.0	2.0	7.5	7.9
102	52	Std. Fireworks	98xc		h5.0	3.7	7.3	5.2
95	48	Standard Ind.	48	−5	0.9	—	2.7	—
90	70	‡Stanelco 10p	82		—	—	—	25.1
230	190	‡Star Comp. 10p	218		u2.0	4.3	1.3	22.7
222	152	Steetley	192		10.5	1.7	7.8	(8.9)
80	50	Stelux Manf. HK$1	68		hQ40c	—	5.0	—
35	30	Sterling Inds. 2½p	33		1.65	0.8	7.1	(17.9)
133	72	Stocklake	106		†4.0	8.4	5.4	2.3
118	92	Stonehill Hlds.	110	+1	8.5	0.5	11.0	(18.8)
110	84	Sunlight Serv. 10p	100		2.5	4.8	3.6	8.2
53	36	Sutcliffe Speak.	51		—	—	—	—
£131½	875	Swedish Match K50	£107¾	−¼	Q14%	1.4	6.7	10.8
188½	97	Swire Pac. A 60c	122	+2½	Q60c	1.7	4.6	12.9
178	140	Syltone	170	+3	d9.8	0.9	7.6	(21.3)
6½	4	Talbex 5p	4½		—	—	—	—
*123	92	TSL Th'mal Synd	112	+2	ϕ7.0	2.2	8.9	6.2
10	7	Th. Times Vn. 5p	8		—	—	—	—
39	33	Third Mile Inv.	37		1.58	1.9	6.3	(10.0)
165	112	TNT A$0.50	150		Q12c	ϕ	4.9	ϕ
195	134	Tilling T. 20p	169		7.5	1.9	6.5	(9.7)
58	26	Toothill R.W.	49		3.5	2.9	10.2	4.4
69	47	Toye	47½		1.63	—	4.9	—
107	75	Trafalgar H. 20p	101		15.85	2.1	8.3	7.9
85	68	Transport Dev.	73		4.25	2.1	8.3	6.9
108	92	‡Trident Comp 10p	108		bd1.5	4.0	2.0	18.1
67	51	Triefus	67		2.88	3.1	6.1	(5.9)
118	70	Turner & New. £1	95½	−2½	6.0	—	9.3	—
75	50	UKO Intl.	56	−1	5.0	1.2	12.8	(8.5)
652	438	Unilever	630	+5	22.91	2.6	5.2	8.4
£19½	£14¼	Un'v N.V. Fl.12	£19⅝	+½	Q55.6%	2.6	6.8	5.6
166	115	Utd. Carriers 10p	152		3.5	3.6	3.3	10.6
79	45	United Gas Inds.	79	+½	4.9	1.5	8.9	(9.9)
20	9½	U. Guarantee 5p	18		‡0.5	—	‡	—
26	14	Unochrome 10p	24		ϕ0.65	5.9	3.9	5.9
70	36½	Valor	56		2.66	2.2	6.8	(7.7)
16½	7	Viners 10p	9		ϕ—	—	—	—
364	174	Vinten Grp. 20p	352	+8	3.5	4.2	1.4	22.8
*22	10	W'' Ribbons 10p	15	−½	—	—	—	—
117	78	W.G.I.	82		6.0	0.3	10.5	—
55	41	Wade Potts. 10p	42		2.0	4.1	6.8	4.7
11	7	Walker Hmr. 5p	10		—	—	—	—
154	98	Ward (T. W.)	154	+5	†7.2	2.5	6.7	8.2
23	19	Waterford 5p	22	+1	Q35.5%	1.9	6.2	9.8
425	342	Watshams	425xd	+6	10.0	ϕ	3.4	ϕ
103	56	Watson R. K. 10p	76		d3.3	1.4	6.2	16.0
93	51	Wedgwood	85		3.3	2.9	5.5	7.5
160	93	Westn. Board 10p	158		5.9	2.3	5.3	11.6
85	48	Wh'ck. M. A. HK$1	62½	+1½	tQ25c	2.7	3.7	9.8
185	70	Whessoe R Angel	185	+7	3.5	2.6	2.7	(16.5)
72	41	Whitecroft	61	+1	3.85	1.3	9.0	(11.0)
87	73	Wilkes (J.)	74	−2	4.13	1.5	8.1	(10.4)
44	16	Wilkins Mitchell	18		—	—	—	—
37	20	Williams (J.)	22		‡2.85	—	‡	—
99	50	Wills (George)	85		4.5	2.6	7.6	6.8
290	228	Wolseley-Hughes	255		ϕ12.5	3.3	7.0	5.5
53	28	W'hampton Stm. Ldry 5p	50	+5	0.75	1.9	2.1	(21.9)
15	9	Wood & Sons 5p	9		‡0.7	—	‡	—
25	13½	Wood (Arthur) 5p	23		1.0	4.4	6.3	4.5
168	86	Wood Hall	133		6.21	1.6	6.7	(10.3)
102	89	‡Zygal Dyn. 5p	100		u0.75	6.3	1.1	15.7

INSURANCE

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
28	13	Brentnall Bd. 10p	27	.....	—	—	—	—
302	214	Britannic 5p	300	+2	†13.9	—	6.6	—
£12⅛	735	Combined Int. $1	£10⅝	.....	Q$1.60	—	8.2	—
187	135	Comm. Union	162	.....	†10.8	—	9.8	—
327	221	Eagle Star	302	−3	†15.0	—	7.1	—
25	18	Edn. Gen. Ins. 10p	20	.....	‡1.0	—	7.1	—
£129	£108	Edna UK 9% Cnv.	£109	.....	Q9%	—	f8.5	—
438	284	Equity & Law 5p	432	+2	13.0	—	4.3	—
390	284	Gen. Accident	358	−8	†13.5	—	5.5	—
*380	268	G.R.E.	336	−10	†15.5	—	6.7	—
436	227	Hambro Life 5p	420	+1	ϕ9.6	—	3.3	—
315	167	Heath (C.E.) 20p	288	−7	10.5	2.3	5.2	9.8
128	98	Hogg Robinson	111	−2	6.0	2.0	7.7	9.1
146	88	Howden (A.) 10p	141	−1	7.0	1.7	7.1	10.8
£86	£34	Do. Warrants	£86	+8	—	—	—	—
324	247	Ins. Corp. Ireland	315	.....	Q60.7%	7.0	3.7	3.5
268	187	Legal & General	247	−2	9.0	—	5.2	—
£11¼	£9⅞	Liberty Life SA R1	£10	.....	tQ240c	—	8.0	—
308	184	Lon. & Man. 5p	286	.....	†ϕ10.5	—	5.3	—
230	170	London United 20p	218xd	+2	9.0	2.0	5.9	12.3
£20¾	£12⅝	Marsh McLen'n $1	£19½	+⅝	Q$2.00	—	5.7	—
156	84	Minet Hldgs. 20p	138	−3	4.55	1.8	4.7	16.9
21	21	Moran (Chris) 20p	21#	.....	4.0	1.2	27.2	4.4
472	386	Pearl 5p	424	−4	†20.0	—	6.7	—
320	240	Phoenix	286	−6	†14.9	—	7.6	—
342	186	Provident	328#	.....	ϕ11.4	—	5.0	—
257	209	Prudential	238	−1	†11.0	—	6.7	—
274	194	Refuge 5p	256xd	+2½	†12.3	—	6.9	—
*425	332	Royal	388	−8	†24.0	—	9.1	—
159	104	Sedgwick 10p	159xd	+2	†5.0	2.0	4.5	15.7
102	79	Stenhouse	97	−1	4.65	1.8	6.8	10.2

PAPERS, PRINTING ADVERTISING

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
*29½	21	‡A.I.D. 10p	25	.....	‡0.25	—	1.4	—
39	24	Assoc. Paper	39	+1	‡2.0	1.1	‡	(16.3)
41	29	Ault & Wiborg	29	.....	‡1.8	2.7	‡	4.7
25	12	BPC	21	−1½	B—	—	—	—
63	25	Bemrose	49	.....	1.5	1.3	4.4	(22.0)
83	50	Brunning Grp.	67	.....	d4.03	—	8.6	—
88	42	Do. Restric. Vtg.	60	.....	d4.03	—	9.6	—
147	109	Bunzl Pulp	143	.....	7.23	3.2	7.2	6.0
35	25	Capseals 5p	33	.....	ϕ3.3	3.8	14.3	2.7
33	23	Causton (Sir J.)	28	.....	2.01	2.1	10.3	6.5
198	110	Chapman Bal. 50p	168	.....	6.5	4.6	5.5	5.7
73	44	Clay (Richard)	45	.....	‡3.0	0.6	‡	(11.5)
95	68	Clondalkin Group	68	.....	Q35.7%	4.5	10.1	3.1
21	12	Cradley 10p	18	.....	d0.53	3.9	4.2	7.9
140	97	Cropper (James)	138	.....	2.5	1.8	2.6	(26.6)
22½	17½	Culter Guard	21½	.....	—	—	—	—
18	10	Delyn 20p	16	.....	—	—	—	15.9
101	75	DRG	89	+1	6.0	1.5	9.6	(8.5)
78	45	East Lancs. Ppr	59	.....	3.5	0.3	8.5	—
225	100	Eucalyptus	223	.....	6.0	6.5	3.8	4.2
105	68	Ferry Pick 10p	104	.....	2.6	3.7	3.6	10.9
150	52	Geers Gross 10p	145	+6	4.0	2.1	4.0	18.5
92	74	††Harrison Cowley	84	.....	3.85	2.7	6.8	7.9
24	16½	‡L.C.A. Hldgs. 8p	17	.....	0.1	7.6	0.8	22.4
150	93	McCorquodale 50p	128	.....	†7.39	2.2	8.8	(5.9)
32	20	Melody Mills	24	.....	—	—	—	—
502	308	Mills & Allen 50p	475	−5	b20.0	2.7	6.0	8.7
132	71	More O'Ferr. 10p	130	+2	h3.0	3.9	3.3	11.1
£18¾	£10⅞	Ogilvy & M. $2	£15½	+¼	Q$1.40	—	5.0	—
32	15	Olives Paper 20p	24	.....	—	—	—	—
22	12	Oxley Print Grp	14#	.....	0.1	—	1.0	—
347	196	Saatchi 10p	327	+2	†b4.8	3.3	2.1	20.3
111	83	Smith (Dvd) 20p	105	.....	7.0	1.9	9.5	8.0
*86	62	Smurfit (Jeffsn.)	84	.....	hQ6.2%	ϕ	6.0	ϕ
46	24	Transparent Ppr.	32	.....	0.1	21.8	0.4	20.0
68	40	Usher Walker 10p	62	.....	4.07	2.9	9.4	4.1
25	15	Wace Group 20p	15	−3	1.44	0.3	14.2	—
156	80	Waddington (J.)	120	+2	6.0	—	7.1	—
205	155	Watmoughs	280	+8	5.25	3.6	3.8	8.2
20	10	Wyatt (W'drow) 5p	10	−3	0.5	—	7.1	—

PROPERTY

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
103	74	All'd London 10p	78	.....	†h1.19	2.6	2.2	25.0
242	212	Allnatt London	236	+2	d4.4	2.0	2.7	26.2
28½	21¼	Amal. Estates	24¼	+¼	—	—	—	—
125	74	Anglo Metropolitan	95	.....	ϕ—	—	—	ϕ
175	132	Apex. Props. 10p	132	.....	2.0	ϕ	2.2	ϕ
36	28½	Aquis. Secs. 5p	28½	.....	0.9	2.2	4.5	27.4
186	165	Austmark Int.	170	.....	—	—	—	—
143	115	Beaumont Props.	115	.....	5.25	1.2	6.5	18.3
132	78	Beazer (C. H.) 10p	128	.....	†7.0	4.9	7.8	3.3
286	203	Berkeley Hambro	264	.....	6.6	2.3	3.6	16.7
226	188	Bilton (Percy)	210	.....	6.9	1.6	4.7	(17.8)
252	194	Bradford Prop.	220	.....	4.0	3.7	2.6	14.7
108	86	British Land	88	+1	0.25	14.3	0.4	17.7
£346	£286	Do. 12pc Cnv. 2002	£290	+1	Q12%	5.1	f4.2	—
132	102	Brixton Estate	121	+1	3.15	1.4	3.7	(21.2)
128	104	Cap. & Counties	111	.....	3.4	1.8	4.4	(15.4)
132	85	Cardiff Prop 20p	128	.....	1.6	1.2	1.8	(59.7)
31½	22	††Carlton Real 10p	31½	.....	0.5	1.7	2.3	(34.4)
208	156	C'ntrovincial 20p	203	−1	2.66	1.7	1.9	45.5
392	345	Chesterfield	375	.....	6.0	1.4	2.3	46.3
780	540	Churchb'ry Est.	725	.....	12.0	1.7	2.4	35.5
109	92	City Offices	92	.....	3.1	0.9	4.8	34.1
164	124	Clarke Nickolls	130	.....	4.0	2.8	4.4	(9.1)
63	44	Control Secs. 10p	61	.....	2.8	0.9	6.6	(25.8)
*64	54	C'ntry New T. 20p	54	.....	0.85	3.4	2.2	16.9
20¼	13¾	‡Crest Int. Secs 10p	17	.....	—	—	—	—
201	157	Daejan (Hldgs.)	169	.....	3.85	3.2	3.3	11.8
540	215	Dean Dev Corpn‖	338	+19	Q16c	—	1.8	—
27½	18½	Dires Estates 10p	23	.....	d1.13	—	7.0	—
105	74	Espley-Tyas	80	.....	b3.92	1.2	7.0	16.6
157	94	Ests. & Agency	139	+1	1.0	—	1.0	—
58	35	Ests. & Gen. 20p	39	.....	1.55	2.0	4.4	(13.6)
182	149	Ests. Prop. Inv.	156	.....	†6.25	1.2	5.7	20.7
80	73	Evans Leeds	79	.....	13.7	h2.0	2.2	3.6
138	98	Fairview Ests. 50p	120	−1	†h3.95	5.7	4.7	4.0
140	88	Fed. Land	131	.....	3.35	1.7	3.7	19.6
48	36	Goldfin (W.) 10p	39½	+½	0.23	2.8	0.8	39.6
222	180	Gt. Portland 50p	198xc	+1	5.0	1.3	3.6	37.0
94	71	Green (R.) 10p	87	.....	2.2	2.6	3.6	15.2
16¼	12¾	Greencoat 5p	15¼	.....	—	—	—	—
207	152	Greycoat Ests. 10p	180	.....	0.37	6.0	0.3	77.1
670	585	Hammerson 'A'	650	−5	9.0	1.2	2.0	57.3
438	356	Haslemere 10p	418	+4	6.0	2.1	2.0	28.5
117	68	HK Land HK$2.5	95½	+3½	sQ28c	1.9	2.7	26.1
855	805	Imry Property	835	.....	9.0	1.6	1.5	58.8
100	86	Jermyn Invest	95	.....	1.63	1.2	2.4	48.9
157	78	Kent (M.P.) 10p	150	.....	†1.9	6.1	1.8	9.5
40	26	Lagondie Est. 10p	30	.....	—	—	—	ϕ
*207½	169½	Laing Properties	198	+1	4.0	1.9	2.9	26.3
£111½	£101½	Do. 8⅜ pc Cnv. Ln. 2000-05	£107	.....	Q8⅜%	—	f8.3	—
69	50	Land Invest.	57xd	.....	1.0	ϕ	2.5	ϕ
352	276	Land Sec. £1	318	−2	h7.6	1.3	3.4	33.5
£266	£208	Do. 10% Conv. '95	£226	.....	Q10%	27.4	f4.5	—
129	74	Law Land 20p	122xd	+1½	ϕb2.0	0.9	2.3	(48.9)
290	190	Lend Lease 50c	253	.....	†Q35%	ϕ	4.4	ϕ
463	395	Lon. Prov. Shp. 10p	430	.....	12.4	1.6	0.8	—
*140	109	Lon. Shop Prop	110	.....	†3.1	1.8	4.0	16.2
316	216	Lynton Hldgs. 20p	260	.....	3.4	1.5	2.0	50.7
252	214	MEPC	226	−4	†5.75	1.2	3.6	29.6

TOBACCOS

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
390	230	BAT Inds.	388	−2	†19.0	2.8	7.0	(5.8)
76	58	Imperial	60xd	−2	7.25	1.8	17.3	(7.8)
86	38	Rothmns. 12½p	73	−½	3.65	2.8	7.1	(5.6)

TRUSTS, FINANCE, LAND

Investment Trusts

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
144	114	Aberdeen Trust	141	.....	ϕ5.8	1.1	5.9
225	164	Ailsa Inv.	210	.....	ϕ8.2	1.0	5.6
114	77½	Alliance Inv.	111	−1	h2.7	1.0	3.5
288	232	Alliance Trust	280xd	+1½	10.5	1.1	5.4
86	65	Allifund Inc.	67	.....	6.88	1.1	14.7
192	144	Do. Capital	181	.....	0.35	—	0.3
80	64	Ambrose Inv. Inc.	64	.....	7.1	1.1	15.8
109	74	Do. Cap.	89	.....	—	—	—
75	60	American Trust	70	+2	2.1	1.1	4.3
74	58	American Tst. 'B'	67	+2	—	—	—
147	116	Anglo Am. Secs.	146	.....	†4.75	1.1	4.6
60½	49	Anglo-Int. Div.	49	.....	5.0	1.0	14.6
248	176	Do. Asset Shs.	230	.....	—	—	—
74	60	Anglo-Scot. Inv.	71	.....	s2.4	1.2	4.8
100	84	Archimedes Inc.	84	.....	†7.2	1.0	12.2
64	47	Do. Cap. 50p	50	.....	—	—	—
137	89	Argo Inv. (SA1)	137	.....	Q12%	ϕ	5.4
205	177½	Ashdown Inv.	199	.....	6.2	1.0	4.4
87	65	Atlanta Balt. 10p	80	.....	1.0	1.5	1.8
298	214	Atlantic Assets	270	+2	s1.0	ϕ	0.5
99½	78	Atlas Elect.	95	.....	3.3	1.1	5.0
80	65	Bankers' Inv.	76	.....	F3.93	1.0	7.4
206	144	Berry Trust	193	+1	1.44	1.0	1.1
101	83	Bishopsgate Tst.	96	.....	h3.33	1.0	5.0
95	77	Border & Sthn. 10p	89½	+2	s2.6	1.3	4.2
62	34	Bremar Tst.	61	.....	2.1	1.2	4.9
53	44½	Brit. Am. & Gen.	51	.....	2.35	1.1	6.6
115	88	British Assets	106	+1	t4.2	1.2	5.7
16	13¾	Brit. Emp. Secs. 5p	15¼	.....	0.85	1.2	8.0
154	135	Brit. Ind. & Gen. Dfd.	153	.....	s5.0	1.2	4.7
204	168	Brit. Invest.	200	.....	8.85	1.3	6.3
234	190	Broadstone (20p)	226	.....	7.1	1.0	4.5
87	68½	Brunner Inv.	83	.....	†2.83	1.0	4.9
102	87	C.L.R.P. Inv.	99	.....	3.5	1.1	5.0
318	260	Caledonia Invs.	285	.....	13.5	1.1	7.0
120	111	Cambrian and Gen.	116	.....	†5.5	1.1	6.8
455	413	Camellia Invs. 10p	455	.....	5.0	2.9	1.6
198	137	Can. & Foreign	192	.....	5.6	1.1	4.2
180	151	Capital & Nat.	173	.....	6.95	ϕ	5.9
174	146	Do. "B"	168	.....	—	—	—
153	132	Cardinal Dfd.	145	.....	4.5	1.1	4.4
97	81	Cedar Inv.	93	.....	†4.6	1.2	7.2
260	222½	Chan'l Is. Inc. £1	250	.....	Q37.5%	1.1	15.0
239	205	Do. Cap.	217	−3	—	—	—
78	63½	Charter Trust	76½	.....	3.2	1.1	6.0
178	145	Child Health £1	173	.....	—	—	—
40	31½	City & Com. Inc.	32xd	−1	†2.82	1.1	12.6
305	205	Do. Cap. (£1)	259xd	+2	—	—	—
91	61	City & For. Inv.	79	.....	0.7	1.3	1.3
113	100	City of Oxford	110	.....	5.5	1.0	7.1
144	112	Claverhouse 50p	135	.....	2	1.0	6.9
11	11	Clifton Invs 10p	11#	.....	—	—	—
59	48½	Colonial Secs. 5p	55	.....	N3.0	1.1	7.8
296	255	Continent'l & Ind.	288	.....	11.0	1.0	5.5
164	145	Continent'l Union	155	.....	6.25	1.0	5.8
386	229	Cres'nt Japan 50p	355	.....	0.95	1.0	0.4
126	111	Crossfriars	119	.....	6.5	ϕ	7.8
123	106	Cystic Fibrosis £1	120	.....	—	—	—
42½	37	Danae (Inc.) (50p)	39	.....	4.0	1.0	14.7
6¾	4	Do. (Cap.) 10p	4½	.....	—	—	—
284	260	Derby Tst. Inc. £1	268	.....	†20.26	1.0	10.8
380	276	Do. Cap. 50p	375	.....	—	—	—
272	232	Dominion & Gen.	264	.....	10.7	1.0	5.8
172	147	Drayton Com'cl.	164	.....	7.0	1.1	6.1
182	162	Do. Cons.	174	.....	7.6	1.2	6.2
*93	66½	Do. Far Eastern	85	.....	1.24	1.5	2.1
226	208	Do. Premier	217	.....	10.2	1.1	6.7
78	67	Dualvest Inc. 50p	67	.....	6.97	1.0	14.9
494	384	Do. Capital £1	468	.....	—	—	—

FINANCIAL TIMES
Tuesday September 15 1981

Growth in Japanese surplus with EEC

By Giles Merritt in Brussels

JAPAN'S trade surplus with the European Community and the U.S. has grown dramatically this year despite promises from Tokyo of a brake on Japanese exports.

During the first seven months of 1981, European Commission officials said, Japan achieved a surplus on its exports to the EEC of $6.3bn (£3.5bn)—an increase of 32 per cent. The surplus on Japan's trade with the U.S. was also $6.3bn—up 80 per cent.

The EEC-Japan trade gap may prove to be even greater when more precise figures are analysed, the officials warned. The trade details released yesterday are based on figures supplied by Tokyo.

In the past Japanese statistics have understated the scale of the imbalance. The absence of UK trade figures because of the recent civil servants' strike is still hampering the European Commission's efforts to compile fresh EEC statistics.

Although the U.S. deficit on trade with Japan is growing considerably faster than that of the EEC—the Reagan Administration has warned that by the end of 1981 it may well total a record $13-$14bn—Brussels now emphasises that the comparable EEC deficit is on a considerably smaller volume of trade.

During the first seven months of this year Japanese imports from the EEC stood at $5bn and exports to the EEC were $11.3bn (£6.35bn), while for the U.S. the comparable figures were $21.2bn (£11.9bn) worth of Japanese exports and $14.9bn worth of U.S. sales to Japan.

The worsening trend in European and North American trade with Japan is to be examined once more at special ministerial talks due to be held in New York towards the end of October.

The informal meeting will group Japan, the U.S., the EEC, and possibly Canada, and is being looked to by Brussels as an important opportunity for Japan to forecast its export intentions during 1982.

The Brussels Commission has, however, noted a slackening of the rate of increase in Japan's car exports to the EEC following the conclusion of bi-lateral export restraint deals with a number of Community member States earlier this year.

During the first quarter of 1981 Japanese car sales in the EEC were running at 20 per cent above the same 1980 quarter, for the first seven months as a whole that rate had slowed perceptibly to average only a 5 per cent rise over the January-July period last year.

Japanese export credits Page 6

Weather

UK TODAY

SUNNY intervals and showers in the west; elsewhere cloudy with rain, clearing from the west. Cool.

Wales, W. England, Lake district, Isle of Man, S.W. Scotland, Glasgow, Argyll, N. Ireland.

Sunny intervals, scattered showers. Max. 17C (63F).

Shetland

Cloudy, some rain. Max. 12C (54F).

Elsewhere

Cloudy with some rain, becoming brighter later from the west. Max. 18C (64F).

Outlook: Unsettled and windy. Showers, sunny intervals.

WORLDWIDE

		Y'day midday °C	°F			Y'ay midday °C	°F
Ajaccio	F	24	75	Luxmbg.	F	14	57
Algiers	S	27	81	Madrid	S	27	81
Amsdm.	F	16	61	Majorca	F	27	81
Athens	S	26	79	Malaga	S	27	81
Barclna.	F	25	77	Malta	F	27	81
Beirut	S	28	81	M'chstr.	C	16	61
Belfast	R	14	57	Melbne.		—	—
Belgrd.	R	20	68	Mex. C.†		—	—
Berlin	F	16	61	Miami†	F	24	75
Biarritz	F	23	73	Milan		—	—
Bmghm.	C	16	61	Montrl.†	F	17	63
Blackpl.	C	17	63	Moscow	C	8	46
Bordx.	S	23	73	Munich	R	12	54
Boulgn.	C	16	61	Nairobi		—	—
Bristol	R	15	59	Naples	F	23	73
Brussels	F	18	64	Nassau		—	—
Budpst.	C	15	59	Nwcstl.	S	18	64
Cardiff	R	15	59	N. York†	F	23	73
Cas'b'ca	—	—	—	Nice	S	25	77
Cape T.		—	—	Nicosia	S	27	81
Chicg.†	F	20	68	Oporto	S	24	75
Cologne	R	16	61	Oslo	F	14	57
Cpnhgn.	F	18	64	Paris	C	18	64
Corfu	S	28	82	Perth		—	—
Denver†	F	15	59	Prague	F	14	57
Dublin	C	15	59	Rykjvk.	F	12	54
Dbrvnk.	S	25	77	Rhodes	S	27	81
Ednbgh.	S	14	57	Rome	F	25	77
Faro	S	27	81	Salzbrg.	T	11	52
Florence		—	—	S'cisco†	C	14	57
Frankft.	F	17	63	S. Mritz		—	—
Funchal	F	26	79	Singapr.		—	—
Geneva	C	17	63	S'tiago†		—	—
Gibrltr.	C	22	72	Stckhm.	F	12	54
Gl'sg'w	F	16	61	Strasbg.	F	19	66
G'rnsey	C	16	61	Sydney		—	—
Helsinki	C	11	52	Tangier	S	29	84
H. Kong		—	—	Tel Aviv	S	28	82
Innsbrk.		—	—	Tenerife	C	20	68
Invrnss.	F	16	61	Tokyo		—	—
I.o.Man	R	14	57	T'rnto†	C	19	56
Istanbul	S	22	72	Tunis	S	28	82
Jersey	C	16	61	Valencia	F	28	82
L. Plms.	C	25	77	Venice	S	21	70
Lisbon	S	27	81	Vienna	S	16	61
Locarno	S	24	75	Warsaw	R	15	59
London	C	17	63	Zurich	S	16	61
L. Ang.†	C	17	63				

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
†Noon GMT temperatures.

Sweden devalues krona 10%

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

SWEDEN YESTERDAY devalued the krona by 10 per cent as part of a programme to stabilise its economy and make Swedish industry more competitive.

Prime Minister Thorbjorn Falldin also announced a 3.46 per cent reduction in value added tax to 20 per cent on November 1 and a price freeze on Swedish goods and services until the end of the year.

Industry receives various investment incentives. Labour laws are to be relaxed to make the workforce more flexible.

Some of the public spending cuts planned for the 1982-83 fiscal year starting in July will be brought forward to January. These will affect pensions, local authority building and defence spending.

Mr Rolf Wirten, the Economy and Budget Minister, said the devaluation should raise industrial output by 7 per cent to 8 per cent next year and in the longer-term create between 30,000 and 40,000 jobs.

It would also enable Swedish exporters to take advantage of the 4 per cent to 5 per cent expansion in world trade forecast for next year.

The combined measures would cut the expected growth in imports next year from 10 per cent to 5 per cent and reduce the deficit on current account from more than SKr 20bn (£2.1bn) to between SKr 15bn and SKr 20bn, Mr Wirten predicted.

Mr Lars Wohlin, the Riksbank (central bank) governor, said the devaluation would not alter his present tight monetary policy. He offered no scope for a cut in interest rates for the time being.

Mr Falldin's minority centre-liberal coalition will need the backing of either the Conservative or Social Democrat opposition if it is to obtain parliamentary approval for its tax and other fiscal measures.

Mr Gosta Bohman, the Conservative leader who took his party out of the coalition in May, said he would have preferred a wage freeze offset by cuts in income tax but praised the boldness of the Government's action.

Industry reacted favourably to the moves. But some businessmen argued that the devaluation should have been 15 per cent.

On the Stockholm stock exchange the industrial shares index rose by more than 4 per cent. The prices of pulp and paper companies advanced strongly.

The Government packet includes

- Support of SKr 275m to promote the supply of timber to the mills.
- A year's extension of the tax-free allowance for company investments in buildings and inventories introduced last year.
- Steps to improve and make permanent the present temporary tax allowance for spending on research.

The Government proposes that 25 per cent of corporate earnings above SKr 1m should be siphoned off to special investment fund accounts in the Riksbank to ensure that the expected increase in profits goes to investment and not to inflationary wage demands.

None of Sweden's Scandinavian neighbours has any plans to follow suit, our Nordic staff adds.

In Copenhagen, Mr Ivar Noergaard, the Danish Economy Minister said the Swedish krona had been seriously overvalued.

Norway's Finance Minister, Mr Ulf Sand, said the Swedish move would have little long-term effect on the competitive position of Norwegian industry.

Norway's Federation of Industry, however, warned that the Swedish moves would "seriously weaken" the country's competitive position.

Details, Page 3

Liberals say reshuffle aids centre groups

BY IVOR OWEN

LIBERAL LEADERS claimed in Llandudno last night that Mrs Thatcher's Cabinet changes will further boost support for the party's electoral alliance with the Social Democrats.

Mr Alan Beith, the Liberal chief whip in the Commons, accused the Prime Minister of concentrating around her those Ministers prepared to give unquestioning support to present monetarist policies regardless of their effect in increasing unemployment to still higher levels.

The leading cabinet "wets," who had sought to exercise a moderating influence, had either ditched or moved to other demanding posts which would leave them with little opportunity to make any great impact on economic policies.

As a result, Mr Beith contended, more and more people, unimpressed by the spendthrift policies of the Labour Party and the TUC, would turn to an alliance between the Liberals and the SDP for a constructive alternative.

The build-up to the opening of the Liberal Assembly today was dominated by criticism of Mr David Steel, the Liberal leader.

His warning that go-it-alone Liberal candidates, who seek to contest constituencies allocated under an alliance between the Liberals and the SDP would be repudiated, has clearly angered many Liberal councillors and leading members of the Young Liberals.

Miss Sue Younger, chairman of the National League of Young Liberals, protested bitterly and forecast that if Mr Steel persisted with such tactics he might talk himself out of the leadership of the Liberal Party.

Miss Jane Merritt, chairman of the Union of Liberal Students, condemned the SDP leadership's willingess to accept Mr Michael O'Halloran, their most recent recruit, from the ranks of Labour MPs.

She gave notice that when the Assembly is asked to back the alliance tomorrow, an attempt will be made to force through an amendment designed to ensure "that bankrupt politicians like Michael O'Halloran are not dumped on local parties."

Liberals prepare for alliance, Page 3

Ford diesel engine plan for UK

BY JOHN GRIFFITHS

FORD IS understood to be close to a decision to establish a car diesel engine manufacturing plant in Britain.

The plant, likely to be at Dagenham, Essex, would provide engines for models built both in the UK and at the company's Continental factories.

There is as yet no firm indication of the possible time scale for establishing such a plant, nor of which models might be involved.

The only diesel car offered by Ford in Europe is the Granada, the engine of which is supplied by Peugeot. Publicly, Ford has taken a distinctly luke-warm attitude towards the diesel, suggesting instead that its need for increasingly fuel-efficient engines would be met by further refining the petrol engine. The company pulled out of a joint development project with Cummins at the end of 1979 to concentrate on its advanced "Proco" petrol engine.

Since then, it has found itself virtually alone among volume manufacturers in not offering a diesel version of its more popular cars.

But the mounting pressures for Ford to seek a wider diesel option show up in the rapidly growing registrations of diesel cars. In Europe, sales have grown from 1.7 per cent of the total market in 1973 to 5.8 per cent in 1980, or just over 500,000 units.

In the U.S., where diesel cars were virtually non-existent until five years ago, diesel cars now account for 4.2 per cent of the market and General Motors has predicted that 20 per cent of its output could be diesels by 1985.

Executives at Ford UK were yesterday reluctant to discuss the projected plant but it was expected that more light would be shed on the proposal at the Frankfurt motor show later this week.

Reshuffle

Continued from Page One

porters, came as a surprise to many MPs but the change was apparently made at Sir Keith's request. He felt he wanted a change and chose the Education Department.

The switch of Mr Patrick Jenkin from Social Services, where he attracted acclaim from the Prime Minister for his organisational ability and his attempts to curtail spending, should mean a tougher Industry Department attitude to the release of state funds to nationalised industries.

Mr Norman Fowler, another close supporter of Mrs Thatcher, is promoted from Transport to Social Services, while Mr David Howell, who suffered several political reverses as Energy Secretary, moves down the Cabinet "league table" to Transport.

His place is taken by Mr Lawson, one of the most dedicated and fluent advocates of Mrs Thatcher's monetarist policies.

Mr Humphrey [illegible] who has served 2½ [illegible] Northern Ireland Office, the most arduous and thank[illegible] roles in Government, was considered ready for a transfer. He takes Sir Ian Gilmour's place as Deputy Foreign Secretary. He has had little previous experience of foreign affairs but his background includes being head of a major department and a former chief whip.

Another close colleague of the Prime Minister, Baroness Young, is promoted to Leader of the Lords and Minister in charge of the Civil Service Department. She replaces Lord [illegible].

S. Africa considers further gold swaps

By Bernard Simon in Johannesburg

THE SOUTH AFRICAN Reserve Bank may negotiate further gold "swaps" with foreign banks to strengthen its foreign currency reserves, Dr Chris Stals, the bank's Senior Deputy Governor, has revealed.

Dr Stals also disclosed in an interview that, in an effort to stabilise the bullion market, the Reserve Bank stopped selling gold for up to a week at a time during July when the price dropped below $400 an ounce. South Africa is the world's leading gold producer, accounting for about three-quarters of non-Communist output.

The South Africans intend discussing the terms of future gold swaps with bankers at the forthcoming joint annual meeting of the International Monetary Fund and the World Bank in Washington, Dr Stals said. Although numerous offers had been received, few had met the Reserve Bank's conditions, he said, particularly its insistence on having first option to buy the gold back at the swap price plus interest.

Continued from Page 1

ICL product range

It will work with Three Rivers to develop a cheaper version of the Perq, which at present costs £25,000 in Britain, and also to develop a more sophisticated model.

ICL is seeking to expand sales by marketing through computer systems, software and services houses and by direct selling through wholesale and retail outlets.

Mr Wilmot expected one-third of ICL's small computer sales to be through retail and wholesale outlets within nine months.

He said that ICL was still looking for small companies with innovative products which it could make and market under licence. But he declined to give any details of talks which it has been holding on collaborative ventures with other companies, including Fujitsu of Japan.

He confirmed, however, that ICL needed a partner which could supply it with the latest technology for big computers. It is also believed to be seeking deals in micro chip technology and telecommunications.

He said that recently announced cuts involving about 4,200 redundancies in Britain would save the company £60m a year in payroll costs. A further one-off saving of £40m was expected from inventory reductions.

Mr Christopher Laidlaw, chairman, said that ICL's borrowings would start levelling off later this year or early next. But he declined to forecast when the company, which lost more than £50m pre-tax in the first half of this year, would return to profit.

Continued from Page 1

Interest rates

The Bank's desire for a rise in interest rates was signalled by its move to lend £79m in overnight money to discount houses at 13¾ per cent—about 1¼ percentage points above the previous market level of overnight rates.

The entire interest rate structure on the money markets moved up almost immediately. The key seven-day inter-bank rate rose after the announcement from 12⅞ to 13⅞ per cent, although rises were smaller in longer dated periods.

The Bank said the action was "primarily a response to the external situation."

But it also said that a rise in interest rates was necessary in view of rapid expansion of bank lending to the private sector, and of the "obscurity" surrounding the money supply figures as a result of the civil servants' dispute.

This follows the Bank's announcement last week that distortions caused by the dispute had forced it to abandon efforts to judge whether the money supply was still growing in line with the Government's target.

Yesterday's move sent shock waves through the London securities markets. Long-dated gilt-edged prices fell up to 1¼ points to just above their lowest levels this year. The FT 30 share index fell 11.5 to 541.9.

On the foreign exchange markets, some dealers were doubtful whether the monetary tightening would have a long-term impact when U.S. interest rates are still much higher, and confidence in Continental currencies is reviving.

U.S. 'will not delay missiles deployment'

BY ROGER BOYES IN BONN

THE U.S. has no plans to delay deployment of new Pershing or Cruise missiles in Europe, Mr Alexander Haig, U.S. Secretary of State said in Bonn yesterday.

His statement, made on a visit intended to calm West German fears, showed there are clear limits to concessions Washington will allow on deployment of its new weaponry.

Reports from Washington had suggested that the U.S., bowing to German pressure, was prepared to delay the stationing by four months to April, 1984, buying more time for negotiations with Moscow and allowing other countries apart from West Germany to set up the missiles.

There was no truth in the reports, said Mr Haig. "The TNF [theatre nuclear forces] two-track procedure [Cruise and Pershing missiles] is precisely on schedule. We are proceeding along the lines agreed to in December 1979."

Nato decided in 1979 to place the new Pershings and Cruises in Germany and ground-launched Cruise missiles in the UK in December 1983, while seeking serious arms-control talks with Moscow.

This was the only slightly jarring note to emerge from Mr Haig's visit to Germany which was aimed at defusing criticism of U.S. policies within the Left wing of the ruling Social Democratic Party and non-parliamentary groups, loosely termed the "peace movement."

Arms negotiations with Moscow would be under way before the end of the year, Mr Haig said. He would seek agreement on a time and location for the talks from Mr Andrei Gromyko, the Soviet Foreign Minister, later this month. Under "ideal conditions" the stationing of theatre nuclear weapons could be avoided. These conditions, though not specified by Mr Haig, would presumably include withdrawal of all Soviet SS-20 missiles aimed towards Europe.

THE LEX COLUMN

The Bank puts on the brakes

Last time the present Government raised interest rates, the unmasking of Anthony Blunt provided a diversion; yesterday, a round of musical chairs in the cabinet distracted attention from what was going on in the City. There the Bank of England, throwing its new eligible bill portfolio out of the window, used the oldest trick in the book—penal lending to the discount market—to signal that it wanted to see higher interest rates. In the language of a month ago, Minimum Lending Rate might have been raised by a couple of points to something like 14 per cent.

Only two months ago the gilt-edged and money markets were convinced that rates ought to rise by this sort of amount, and it took a very energetic rear-guard action by the Bank to prevent a rise in clearing bank base rates. In July, sterling was falling rapidly against the very strong dollar, but the money supply was supposed to be growing within the official target range, when adjusted for the effects of the civil service strike. Now sterling is steadier against the dollar, but has entered a state of free fall against the EMS currencies, while the August banking figures showed a worryingly large rise in bank lending to the private sector. Money supply as a whole has become undecipherable.

To some extent the fall in sterling had become self-feeding: every foreign exchange dealer had come to believe that the UK authorities wanted to see a lower pound. Yesterday's operation should remind the markets that the British enthusiasm for devaluation is strictly limited—indeed, the pound bounced by around five pfennigs from the low point below DM 4.19, having fallen by 7 per cent in a fortnight.

Concern about the pound is almost certainly the primary motive for the increase in rates, for exchange rate targetry now seems to take precedence over monetary control. If sterling does stabilise at this level, the Bank will be able to congratulate itself on an orderly return to a more competitive exchange rate. The danger must be that against U.S. rates in the region of 20 per cent, 14 per cent in London may prove very little more effective than 12 per cent.

The effects of higher rates on bank lending are necessarily more drawn out. Here the worrying feature is the buoyancy of loan demand at the trough of the business cycle: clearing bank lending (admittedly much distorted) ran at an underlying £500m a week in August—what might it be when industry has to finance higher stocks again? One explanation is the great success of the clearing banks in increasing their loans, including mortgage advances, to consumers. The Bank did not publish any specific guideline about higher property lending yesterday, but the clearers ought to take some sort of a hint.

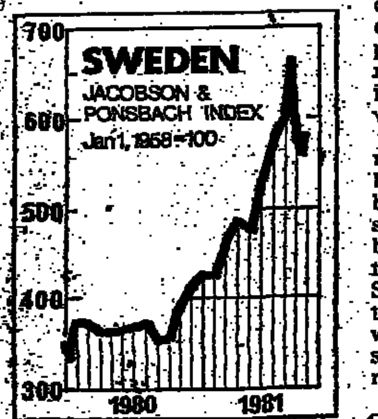
Funding is a quicker way of dealing with excessive money supply growth than trying to ration private sector credit by price. But a heavy funding programme at a time of strong private sector credit demand can lead to impossible strains on the money markets, as in the first quarter of 1980, when the Bank was obliged to finance its own funding through sales and repurchases of gilt-edged stock. So although the gilt-edged market's knee-jerk response to higher rates is to look over its shoulder for a tap stock (or two) there may not be an orgy of conventional long-dated funding this time—which is not to say that the Government Broker will refuse to supply stock on a rising market.

As of last night, the market was not rising—yields are back near the peak levels of July, which means almost 16 per cent at the long end. And equities, which in contrast to gilt-edged have been reasonably firm all summer, fell by 13 points on the FT 30-Share Index yesterday afternoon.

The fundamental bull case for British equities—the upturn in profits, thanks to a tremendous reduction in industry's costs and the fall in sterling at a time when average dividend yields look fair value by long-term standards—is not changed fundamentally by yesterday's move. But manufacturing industry is still in a very fragile state, a tighter monetary climat reduce the scope for volum covery as well as raising cost of money for strete companies. For instance, porfits forecast made yester morning by Illingworth Mor is already looking distine wobbly.

A steadying of the exchan rate may bring foreign dema back to the gilt-edged marke bid yields down from the p sent levels. But the yield between equities and gilts mains very wide. With the Share Index standing arou the middle of a trading ra which extends back to the l spring, yesterday's setback m not be the end of the story.

Index fell 11.5 to 541.9



Sweden

The Swedish stock mar was one of the outstanding p formers in the world during first part of 1981, rising by abo three fifths between Janu and August. Much of that r was fuelled by foreign buyi with London to the fore, so y terday's 10 per cent devaluati of the Krona is of more th passing interest to the inte national investor.

The Krona is valued agai a basket of currencies in whi the U.S. dollar is heavily rep sented. So the dollar's streng had dragged the Swedish cu rency up against those of main trading partners and, eve after yesterday's move, th Krona has held up well relati to sterling this year.

The package, which includ a price freeze until the end the year and a cut in Val Added Tax, is designed to re tore the export competitivenes of Swedish industry, which ha been expected to suffer a thre per cent fall in output this year.

However, prices are rising around 14 per cent a year a there has been no move to che accelerating wage inflation. S what Swedish companies g on export margins they may lose in a domestic profits squeeze. Share prices in the important pulp and paper se were generally stronger yesterday but there was no clear message elsewhere in the market. Foreign investors, who had been taking profits in recent weeks, seemed to be sitting on their hands.

The government is trying to shock inflation on to a lower level but is doing it with a package which seems likely to squeeze industry, especially since there is no sign of the cut in interest rates which some had been expecting. The market is 12 per cent off the peak and the international enthusiasm for Sweden seems to be evaporating.

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